The only China retail property trust providing direct exposure to the fast-growing Pearl River Delta region.

Dasin Retail 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.

DEFENSIVE PORTFOLIO WITH ROBUST GROWTH POTENTIAL

- Located in Zhongshan City – the heart of the fast-growing Pearl River Delta region.

The only China retail property trust providing direct exposure to the fast-growing Pearl River Delta region.
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Dasin Retail 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.

**DEFENSIVE PORTFOLIO WITH ROBUST GROWTH POTENTIAL**

- Located in Zhongshan City - the heart of the fast-growing Pearl River Delta region.

**DISTRIBUTION YIELD GROWTH**

<table>
<thead>
<tr>
<th>Year</th>
<th>Distribution Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>8.9%</td>
</tr>
<tr>
<td>2018</td>
<td>9.0%</td>
</tr>
</tbody>
</table>

• To distribute 100.0% of Distributable Income to Unitholders for Forecast Year 2017 and Projection Year 2018

To distribute at least 85.0% of Dasin Retail Trust’s Distributable Income to Unitholders in respect of FY2019 and onwards.

**ABOUT DASIN RETAIL TRUST**

Dasin Retail 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.
As at 30 June 2016

- Net Lettable Area Breakdown by Trade Sector:
  - General Retail: 36%
  - Fashion: 27%
  - Food & Beverage/Food Court: 12%
  - Entertainment: 12%
  - IT & Electronics: 10%
  - Sports & Fitness: 8%
  - Leisure & Lifestyle: 5%
  - Others: 1%

- Higher economic activity, standard of living and strong consumer spending culture in Zhongshan City.

- Proximity and increased connectivity in the Pearl River Delta region to fuel Zhongshan’s economic growth.

**ENHANCED DEVELOPMENT OPPORTUNITIES WITH STRONG PIPELINE**

- Extensive right of first refusal (“ROFR”) pipeline spanning Zhongshan, Zhuhai and Macau.
- Option to acquire Doumen Metro Mall in Zhuhai.
- Diversified portfolio of small tenants to expand offering.
- Online to offline commerce business model through DASIN Pass platform adds value to customers and tenants.
- Winner of multiple national-level awards, including “China’s Top 10 Commercial Real Estate Development Companies” from 2012 to 2016.

**Sponsor’s Integrated Platform**

- Zhongshan Dasin Real Estate Co., Ltd. (“the Sponsored Company”) is one of the top real estate developers in Zhongshan.
- Leverage on the Sponsor’s strong track record, execution experience and strategic partnerships.
- Strong reputation for its strength in commercial real estate development and management of malls, Dasin Metro Malls (旭日新都汇).
- Leading developer of good-grade completed retail properties in Zhongshan by GFA, market share by GFA of approximately 37.2%.
- Winner of multiple national-level awards, including “China’s Top 10 Commercial Real Estate Development Companies” from 2012 to 2016.

- Sound mall operations strategies.
- Diverse portfolio of small tenants to expand offering and command higher rental yields.
- Extensive experience in investment, management, finance and accounting.

**Growth Assets**

- Stable assets belonging to defensive asset portfolio.
- Offers cash flow stability and strong growth potential.
- Good mix of properties at different stages of their life cycles.
- Diversified tenant portfolio.
- Moderately long weighted average lease expiry (by net lettable area).

**Stable Assets**

- Designed for long-term investment and capable of offering competitive yields in a stable income stream.
- Strong tenant covenant of differentiated brands and retailers.
- Good mix of properties each at different stages of the life cycle.
- Regional integration in the Greater Pearl River Delta Region, which includes Hong Kong and Macau, will drive further trade and investment in the Pearl River Delta region.

**ddf**

- Higher economic activity, standard of living and strong consumer spending culture in Zhongshan City.
- Proximity and increased connectivity in the Pearl River Delta region to fuel Zhongshan’s economic growth.

**Major Asset Investments**

- The management team of Dasin Retail Trust Management Pte. Ltd. (an investment manager of Dasin Retail Trust) has an average of over 15 years of relevant experience.
- Extensive experience in investment, management, finance and accounting.

**U.S.-LISTED INVESTMENT**

- GFA of the Initial Portfolio and Shiqi Metro Mall will expand by approximately 2.6 times if the Doumen Purchase Options exercised and the ROFR Properties (excluding the six uncompleted ROFR Properties the GFAs of which have not been determined) are acquired.
**DEFENSIVE ASSET PORTFOLIO**
- Offers cash flow stability and strong growth potential
- Good mix of properties at different stages of their life cycle
- Diversified asset portfolio
- Moderately long weighted average lease expiry by vacant area

**Net Lettable Area by Property**

**Net Lettable Area Breakdown by Trade Sector**

**Higher economic activity, standard of living and strong consumer spending culture in Zhongshan City**

**JBUILT POTENTIAL FOR GROWTH WITH STRONG PIPELINE**
- Extensive right of first refusal (ROFR) pipeline spanning Zhongshan, Zhuhai and Macau
- Option to acquire Doumen Metro Mall in Zhuhai

**GFA of the Initial Portfolio and Shiqi Metro Mall will expand by approximately 2.6 times if the Doumen Purchase Option is exercised and the ROFR Properties (excluding the six uncompleted ROFR Properties of which have not been determined) are acquired**

**DIVERSIFIED MANAGEMENT EXPERIENCE TO THE MANAGEMENT TEAM**
- The management team of Dasin Retail Trust Management Pte. Ltd. (an inhouse manager of Dasin Retail Trust) has an average of over 15 years of relevant experience
- Extensive experience in investment, management, finance and accounting

**GPA**

**Source: CBRE Independent Market Research**
<table>
<thead>
<tr>
<th>Property</th>
<th>Commencement of Operations</th>
<th>Gross Floor Area</th>
<th>Valuation</th>
<th>Occupancy Rate</th>
<th>Weighted Average Lease Expiry (by Net Lettable Area)</th>
<th>Estimated Annual Footfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>XIAOLAN METRO MALL</td>
<td>Sep 2005</td>
<td>108,690 sq m</td>
<td>RMB 2,342 million</td>
<td>100.0 %</td>
<td>6.0 years</td>
<td>22.7 million</td>
</tr>
<tr>
<td>DASIN E-COLOUR</td>
<td>May 2015</td>
<td>25,857 sq m</td>
<td>RMB 325 million</td>
<td>92.8 %</td>
<td>5.0 years</td>
<td>3.8 million</td>
</tr>
<tr>
<td>OCEAN METRO MALL</td>
<td>Dec 2014</td>
<td>180,338 sq m</td>
<td>RMB 1,897 million</td>
<td>99.6 %</td>
<td>11.9 years</td>
<td>13.0 million</td>
</tr>
<tr>
<td>SHIQI METRO MALL (To be acquired in 2017)</td>
<td>May 2004</td>
<td>119,682 sq m</td>
<td>RMB 2,581 million</td>
<td>98.7 %</td>
<td>5.5 years</td>
<td>27.2 million</td>
</tr>
</tbody>
</table>

- **Located in one of Zhongshan’s largest suburban towns by residential population with a captive consumer base**
- **Strong 10-year track record of generating yield**
  - 100.0% occupancy for nine consecutive years (2007 to 2015)
  - Rental escalation clause in the leases provides for an annual adjustment, typically 6.0% to 10.0%\(^{10}\)
- **Repositioned from a furniture mall to a trendy mid-end community mall in six months**
- **Located opposite a 20,000 people strong university**
  - Targets university students and teachers in the vicinity
- **High potential for rental reversions**
  - With many small tenants leasing shop units in the Property, a high proportion of leases expire in FY2018, and it is expected that by FY2018, Dasin E-Colour will be more mature and majority of the leases are expected to be renewed at higher rates
- **Quality property strategically located in an emerging urban area**
  - Mid to mid-upper tier modern and experiential lifestyle destination
- **Limited competition with high upside potential due to rental reversions**
  - Dominant shopping mall in its trade area in the short to medium term
  - Rental escalation clause in the leases provides for an annual adjustment of 7.0% - 10.0%\(^{10}\)
- **Well-established mall in a prime location**
  - Zhongshan’s first shopping mall
  - Targets mid-income households in the Zhongshan core urban area
  - Attracts the highest footfall of all properties within the Trust
- **Solid growth in rental income levels**
  - 100.0% occupancy between 2006 to 2014 and 98.7% as of 30 June 2016
  - Tenants’ willingness to renew lease contracts at a higher rate

\(^{8}\) As of 30 June 2016, based on the average of the two independent valuations by Savills and Colliers
\(^{9}\) Source: CBRE Independent Market Research Report (November 2016)
\(^{10}\) Applies to most non-anchor tenant leases
**FINANCIAL HIGHLIGHTS**

**Gross Revenue and Net Property Income (RMB million)**

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>NPI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Forecast Year 2017</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Revenue</td>
<td>244</td>
<td>37%</td>
</tr>
<tr>
<td>Net Property Income</td>
<td>341</td>
<td>37%</td>
</tr>
<tr>
<td><strong>Projection Year 2018</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Revenue</td>
<td>200</td>
<td>37%</td>
</tr>
<tr>
<td>Net Property Income</td>
<td>282</td>
<td>37%</td>
</tr>
</tbody>
</table>

**Distributable Income (RMB million)**

<table>
<thead>
<tr>
<th></th>
<th>103</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Forecast Year 2017</strong></td>
<td></td>
</tr>
<tr>
<td>Distributable Income</td>
<td>82</td>
</tr>
<tr>
<td><strong>Projection Year 2018</strong></td>
<td></td>
</tr>
<tr>
<td>Distributable Income</td>
<td>103</td>
</tr>
</tbody>
</table>

**KEY STRATEGIES**

- **ACTIVE ASSET MANAGEMENT STRATEGY AND ASSET ENHANCEMENT STRATEGY**
- **ACQUISITION GROWTH STRATEGY**
- **DIVESTMENT STRATEGY**
- **DISCIPLINED DEVELOPMENT STRATEGY**
- **CAPITAL AND RISK MANAGEMENT STRATEGY**

**INDICATIVE TIMETABLE**

(Singapore Time)

<table>
<thead>
<tr>
<th>Event</th>
<th>Date &amp; Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening date &amp; time for Public Offer</td>
<td>13 January 2017, 9.00 p.m.</td>
</tr>
<tr>
<td>Closing date &amp; time for Public Offer</td>
<td>18 January 2017, 12.00 noon</td>
</tr>
<tr>
<td>Commence trading on a “ready” basis</td>
<td>20 January 2017, 2.00 p.m.</td>
</tr>
</tbody>
</table>

**HOW TO APPLY**

Applications for the Public Offer may be made through:

- ATMs and internet banking websites of DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited (and its subsidiary Far Eastern Bank Limited)
- Printed WHITE Public Offer Units Application Forms which form part of this Prospectus
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NOTICE TO INVESTORS

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of Dasin Retail Trust, the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager or the Joint Bookrunners and Underwriters. If anyone provides you with different or inconsistent information, you should not rely upon it. Neither the delivery of this Prospectus nor any offer, subscription, sale or transfer made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in the affairs, conditions and prospects of Dasin Retail Trust, the Trustee-Manager, the Units or the Sponsor since the date on the front cover of this Prospectus. Where such changes occur and are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, the Trustee-Manager will make an announcement of the same to the SGX-ST and the public and, if required, lodge and issue a supplementary document or replacement document pursuant to Section 282D of the SFA and take immediate steps to comply with the said Section 282D. Investors should take notice of such announcements and documents and investors shall be deemed to have notice of such change upon release of such announcements and documents.

In addition to the Initial Portfolio, Singapore Holdco (as defined herein), Mr. Zhang Zhencheng and Dasin Management and Investment (as defined herein) had entered into the Shiqi Framework Agreement (as defined herein) for Dasin Retail Trust to acquire Shiqi Metro Mall (via the acquisition of the Shiqi PRC Property Company (as defined herein)) and the Shiqi Rental Management Company (as defined herein). Shiqi Metro Mall had been mortgaged to certain banks and financial institutions pursuant to loan facilities granted to the Sponsor and its related corporations, including Dasin Management and Investment. Save for the loan facilities that are or will be granted or transferred to the subsidiaries to be acquired by Dasin Retail Trust (including the Shiqi PRC Property Company and the Shiqi Rental Management Company, that will be acquired by Dasin Retail Trust (via the acquisition of Shiqi Holdco) under the Shiqi Holdco Sale and Purchase Agreement (as defined herein)), the Sponsor requires some time to negotiate with the banks and financial institutions on the unwinding of these loan facilities and the discharge of the mortgages. As such, Dasin Retail Trust will only complete the acquisition of Shiqi Metro Mall pursuant to the Shiqi Holdco Sale and Purchase Agreement after the Sponsor unwinds all the loan facilities granted or transferred to the entities that will not be acquired by Dasin Retail Trust and after the corresponding mortgages are discharged.

The Shiqi Framework Agreement and the acquisition of the Shiqi PRC Property Company and the Shiqi Rental Management Company are interested person transactions under Chapter 9 of the Listing Manual (as defined herein) and the purchase consideration of approximately RMB 1,224.0 million (which is arrived at on a willing-buyer and willing-seller basis based on the implied acquisition price of Shiqi Metro Mall of approximately RMB 1,224.0 million\(^1\) for Shiqi Metro Mall and the Shiqi Rental Management Company under the Shiqi Framework Agreement is deemed to be approved by the Unitholders upon the subscription for the Units.

Each of Aqua Wealth and Bounty Way has provided a distribution waiver undertaking (each a “Distribution Waiver Undertaking” and, together, the “Distribution Waiver Undertakings”) pursuant to which each of Aqua Wealth and Bounty Way has agreed to waive a portion of its entitlement to distributions from Dasin Retail Trust for the Distribution Period (the “Distribution Waiver”). Upon expiry of the Distribution Waiver Undertakings following the end of the Distribution Waiver Period, the DPU to Unitholders may be reduced. See “Risks Relating to the Properties and Shiqi Metro Mall – The DPU to Unitholders may be reduced after the end of the Distribution Waiver Period.” of this Prospectus for further details.

---

\(^1\) The implied acquisition price of Shiqi Metro Mall is based on the average of the two independent valuations of Shiqi Metro Mall as at 30 June 2016, and determined on a willing-seller and willing-buyer basis.
The DPU and distribution yield for the Initial Portfolio as well as for the Initial Portfolio and Shiqi Metro Mall, both with and without the Distribution Waiver, are as follows:

<table>
<thead>
<tr>
<th>Initial Portfolio and Shiqi Metro Mall</th>
<th>DPU(1) (SS)</th>
<th>Distribution yield(1) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Forecast Year 2017</td>
<td>Projection Year 2018</td>
</tr>
<tr>
<td>With the Distribution Waiver</td>
<td>0.0680(2)</td>
<td>0.0720(2)</td>
</tr>
<tr>
<td>Without the Distribution Waiver</td>
<td>0.0307(2)</td>
<td>0.0378(2)</td>
</tr>
<tr>
<td>Initial Portfolio</td>
<td>0.0581</td>
<td>0.0610</td>
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<tr>
<td>With the Distribution Waiver</td>
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<td></td>
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<tr>
<td>Without the Distribution Waiver</td>
<td>0.0262</td>
<td>0.0319</td>
</tr>
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</table>

Notes:

(1) The DPU and distribution yield are based on the Offering Price.

(2) In the event the acquisition of Shiqi Metro Mall is not completed by 30 June 2017 and in the absence of the compensation under the Shiqi Framework Agreement, the foregoing DPU and distribution yield may not materialise.

There is no assurance that the acquisition of the Shiqi PRC Property Company and the Shiqi Rental Management Company by Dasin Retail Trust will be completed by 30 June 2017. In the event the acquisitions of the Shiqi PRC Property Company and the Shiqi Rental Management Company are not completed by 30 June 2017, Dasin Retail Trust’s business, financial condition, results of operations and prospects may be adversely affected. See “Risk Factors – Risks Relating to the Properties and Shiqi Metro Mall – Dasin Retail Trust’s acquisitions of the Shiqi PRC Property Company and the Shiqi Rental Management Company post-completion of the Offering are subject to the vendors’ due performance of their obligations under the Shiqi Framework Agreement and Shiqi Holdco Sale and Purchase Agreement.” of this Prospectus for further details.

In addition, a significant proportion of the leases of Shiqi Metro Mall by Gross Rental Income (as defined herein) and net lettable area (“NLA”) will expire in FY2017. If a large number of tenants do not renew their leases, this could adversely affect the business, financial condition and results of operations of Dasin Retail Trust. See “Risk Factors – Risks Relating to Dasin Retail Trust’s Operations – A substantial number of the Properties’ and Shiqi Metro Mall’s leases are for terms of one to three years, which exposes the Properties and Shiqi Metro Mall to significant rates of lease expiries each year.” of this Prospectus for further details.

Dasin Merchant Investment has on 26 December 2016 entered into the Xiaolan Master Lease Agreement and on 1 March 2016 entered into the Dasin E-Colour Master Lease Agreements with Xiaolan Xinduhui and Yicai Xinduhui respectively, for certain units on the first and the third floors of Xiaolan Metro Mall and for certain units on the fourth, eighth and ninth floors as well as the entire seventh floor of Dasin E-Colour. The tenures of the Xiaolan Master Lease Agreement and the Dasin E-Colour Master Lease Agreements are 10 years and three years respectively. In connection with the master leases, the Sponsor has on 26 December 2016 provided an indemnity to guarantee the obligations of Dasin Merchant Investment under the Master Lease Agreements. Upon the expiry or termination of the Master Lease Agreements, Xiaolan Metro Mall and Dasin E-Colour may not be able to generate a level of rental income which is comparable to the rental payable under the master leases. See “Risk Factors – Risks Relating to the Properties and Shiqi Metro Mall – Dasin Merchant Investment, as master lessee of certain retail space in Xiaolan Metro
Mall, may not renew the Xiaolan Master Lease Agreement or may terminate the Xiaolan Master Lease Agreement before its expiry.” and “Risk Factors – Risks Relating to the Properties and Shiqi Metro Mall – The leases of the retail units in Dasin E-Colour leased by Interested Persons of the Dasin Retail Trust Group (as defined herein), which constitute in aggregate 50.8% of the total NLA of Dasin E-Colour, may be terminated before their expiry or may not be renewed.” of this Prospectus for further details.

The DPU and distribution yield for the Initial Portfolio as well as for the Initial Portfolio and Shiqi Metro Mall, both with (with and without the Distribution Waiver) and without (with and without the Distribution Waiver) the Master Lease Agreements(3), are as follows:

<table>
<thead>
<tr>
<th>Initial Portfolio and Shiqi Metro Mall</th>
<th>DPU(1) (S$)</th>
<th>Distribution yield(1) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Forecast Year 2017</td>
<td>Projection Year 2018</td>
</tr>
<tr>
<td><strong>With the Master Lease Agreements and with the Distribution Waiver</strong></td>
<td>0.0680(2)</td>
<td>0.0720(2)</td>
</tr>
<tr>
<td><strong>With the Master Lease Agreements and without the Distribution Waiver</strong></td>
<td>0.0307(2)</td>
<td>0.0376(2)</td>
</tr>
<tr>
<td><strong>Without the Master Lease Agreements(3) and with the Distribution Waiver</strong></td>
<td>0.0680(2)</td>
<td>0.0720(2)</td>
</tr>
<tr>
<td><strong>Without the Master Lease Agreements(3) and without the Distribution Waiver</strong></td>
<td>0.0307(2)</td>
<td>0.0376(2)</td>
</tr>
</tbody>
</table>

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<tr>
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<td>Forecast Year 2017</td>
<td>Projection Year 2018</td>
</tr>
<tr>
<td><strong>With the Master Lease Agreements and with the Distribution Waiver</strong></td>
<td>0.0581</td>
<td>0.0610</td>
</tr>
<tr>
<td><strong>With the Master Lease Agreements and without the Distribution Waiver</strong></td>
<td>0.0262</td>
<td>0.0319</td>
</tr>
<tr>
<td><strong>Without the Master Lease Agreements(3) and with the Distribution Waiver</strong></td>
<td>0.0581</td>
<td>0.0610</td>
</tr>
<tr>
<td><strong>Without the Master Lease Agreements(3) and without the Distribution Waiver</strong></td>
<td>0.0262</td>
<td>0.0319</td>
</tr>
</tbody>
</table>

**Notes:**

(1) The DPU and distribution yield are based on the Offering Price.

(2) In the event the acquisition of Shiqi Metro Mall is not completed by 30 June 2017 and in the absence of the compensation under the Shiqi Framework Agreement, the foregoing DPU and distribution yield may not materialise.

(3) The DPU or distribution yield is derived based on the assumption that the space leased under the Master Lease Agreements is leased to third parties at prevailing market rental rates.
Unless required by applicable laws (including the SFA), no representation, warranty or covenant, express or implied, is made by any of Dasin Retail Trust, the Trustee-Manager, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters, the Sponsor or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers as to the accuracy or completeness of the information contained herein, and nothing contained in this Prospectus is, or shall be relied upon as, a promise, representation or covenant by any of Dasin Retail Trust, the Trustee-Manager, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters, the Sponsor or their respective affiliates, directors, officers, employees, agents, representatives or advisers.

None of Dasin Retail Trust, the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers is making any representation or undertaking to any purchaser or subscriber of Units regarding the legality of an investment by such purchaser or subscriber under appropriate investment or other laws or regulations. In addition, investors in the Units should not construe the contents of this Prospectus as legal, business, financial or tax advice. Investors should be aware that they may be required to bear the financial risks of an investment in the Units for an indefinite period of time. Investors should consult their own professional advisers as to the legal, tax, business, financial and related aspects of an investment in the Units.

Copies of this Prospectus and the Application Forms may be obtained on request, subject to availability, during office hours, from:

DBS Bank Ltd.
12 Marina Boulevard, Level 3
DBS Asia Central @ Marina Bay Financial Centre Tower 3
Singapore 018982

and, where applicable, from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. A copy of this Prospectus is also available on the SGX-ST’s website: http://www.sgx.com.

The distribution of this Prospectus and the offering, subscription, purchase, sale or transfer of the Units in certain jurisdictions may be restricted by law. Dasin Retail Trust, the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager and the Joint Bookrunners and Underwriters require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions at their own expense and without liability to Dasin Retail Trust, the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters. This Prospectus does not constitute, and the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters are not making, an offer of, or an invitation to subscribe for or purchase, any of the Units in any jurisdiction in which such offer or invitation would be unlawful. Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur.

The Units have not been, and will not be, registered under the Securities Act and may not be offered or sold within the United States except in a transaction that is exempt from, or not subject to, the registration requirements of the Securities Act. The Units are being offered or sold in offshore transactions outside the United States in reliance on Regulation S.
Personal Data Protection Act

For the purposes of the Personal Data Protection Act 2012, Act 26 of Singapore ("PDPA"), you consent and acknowledge that all Personal Data (as defined in the PDPA) provided by you to Dasin Retail Trust, the Trustee-Manager, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters or any of their respective agents, may be collected, used, disclosed or otherwise processed in order for Dasin Retail Trust, the Trustee-Manager, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters or any of their respective agents, to carry out their respective duties and obligations in relation to any investment by you into Dasin Retail Trust, for each of the purposes as set out in this section or as may be permitted under the PDPA.
FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus constitute “forward-looking statements”. This Prospectus also contains forward-looking financial information in “Profit Forecast and Profit Projection” of this Prospectus. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Dasin Retail Trust, the Trustee-Manager or the Sponsor, as well as industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding the Trustee-Manager’s present and future business strategies and the environment in which Dasin Retail Trust, the Trustee-Manager or the Sponsor will operate in the future. Because these statements and financial information reflect the current views of the Trustee-Manager and the Sponsor concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. Undue reliance should not be placed on these forward-looking statements.

Among the important factors that could cause the actual results, performance or achievements of Dasin Retail Trust, the Trustee-Manager or the Sponsor to differ materially from those in the forward-looking statements and financial information are the conditions of, and changes in, the domestic, regional and global economies, including, but not limited to, factors such as political, economic and social conditions in PRC (as defined herein), changes in government laws and regulations affecting Dasin Retail Trust, competition in the PRC property market in which Dasin Retail Trust may invest, the performance and reputation of Dasin Retail Trust’s properties and/or acquisitions, difficulties in identifying future acquisitions, difficulties in completing and integrating acquisitions, changes in the Trustee-Manager’s directors (“Directors”) and the Trustee-Manager’s executive officers (“Executive Officers”), risks related to natural disasters, general volatility of the capital markets, general risks relating to the property market in which Dasin Retail Trust may invest and the market price of the Units, as well as other matters not yet known to the Trustee-Manager or not currently considered material by the Trustee-Manager. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “Risk Factors”, “Unaudited Pro Forma Financial Information of Dasin Retail Trust”, “Profit Forecast and Profit Projection” and “Business and Properties”. These forward-looking statements and financial information speak only as at the date of this Prospectus. The Trustee-Manager expressly disclaims any obligation or undertaking to release publicly any updates of or revisions to any forward-looking statement or financial information contained herein to reflect any change in the expectations of the Trustee-Manager or the Sponsor with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other relevant regulatory or supervisory body or agency.
CERTAIN DEFINED TERMS AND CONVENTIONS

Dasin Retail Trust will publish its financial statements in Singapore dollars. In this Prospectus, references to “Renminbi” or “RMB” are to the lawful currency of the People's Republic of China (“PRC”) while references to “S$, Singapore dollars”, “SGD” or “Singapore cents” are to the lawful currency of Singapore.

For the reader’s convenience, except where the exchange rate between the RMB and the Singapore dollar is expressly stated otherwise, certain RMB amounts in this Prospectus have been translated into Singapore dollars based on the fixed exchange rate of S$1.00: RMB 4.83 based on the average exchange rate from 1 December 2016 through to 18 December 2016, being the latest practicable date prior to the lodgement of the Prospectus (the “Latest Practicable Date”). However, such conversions should not be construed as representations that RMB amounts have been, could have been or could be converted into Singapore dollars at that or any other rate (see “Exchange Rate Information” of this Prospectus for further details).

Unless expressly stated otherwise, all statistics and figures relating to the Properties (as defined herein) and Shiqi Metro Mall are as at 30 June 2016 and all the independent valuations of Xiaolan Metro Mall and Dasin E-Colour take into account the Xiaolan Master Lease Agreement and the Dasin E-Colour Master Lease Agreements, respectively.

Unless otherwise defined, capitalised terms used in this Prospectus shall have the meanings set out in the Glossary.

Unless otherwise specified, where applicable, all calculations in this Prospectus have been based on the Offering Price.

The forecast and projected distribution yields and distribution yield growth are calculated based on the Offering Price and the issuance of Units under the Offering, and the assumption that the Listing Date is 1 January 2017. Such forecast and projected distribution yields and distribution yield growth which are based on the Offering Price will vary accordingly if the Listing Date is not 1 January 2017, or for investors who purchase Units in the secondary market at a market price different from the Offering Price.

Any discrepancies in the tables, graphs and charts included in this Prospectus between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place, and RMB and S$ are rounded to the nearest thousand. Measurements in square metres (“sq m”) are converted to square feet (“sq ft”) and vice versa based on the conversion rate of 1 sq m = 10.7639 sq ft. References to “Appendix” or “Appendices” are to the appendices set out in this Prospectus. All references in this Prospectus to dates and times shall mean Singapore dates and times unless otherwise specified.

Reference to:

- Unless otherwise stated, “GFA” for the purposes of this Prospectus means, in relation to properties in China, the area specified in the House Ownership Certificate (房产所有权证) or Real Estate Title Certificate (房地产权证) issued by the local building ownership administration bureau or the local real estate administration bureau, respectively, of PRC (the “Building Ownership Certificate”) for each property;

- “Gross Rental Income” in relation to the Properties consists of (i) “Fixed Rent”, being rental income received or receivable from tenants charged based on the fixed rent method (after adjusting for leasing incentives such as rent rebates and rent-free periods where applicable); (ii) “Turnover Rent” from tenants charged based on the turnover rent method, which is generally calculated as a pre-determined percentage of the tenant’s gross turnover; and
(iii) the higher of “Base Rent”, being the minimum rental income received or receivable from tenants charged based on the higher of the base rent or turnover rent method after taking into account leasing incentives such as rent rebates and rent-free periods where applicable, or Turnover Rent; and

• “primarily” when used in relation to the phrase “primarily for retail purposes” shall mean more than 50.0% of NLA or (in the case of a property where the concept of NLA is not applicable) GFA of a property is used for retail purposes.
MARKET AND INDUSTRY INFORMATION

This Prospectus includes market and industry data and forecasts that have been obtained from, where appropriate, internal surveys, reports and studies, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. The Trustee-Manager has commissioned Beijing CBRE Property Management Services Limited Shanghai Branch ("CBRE") as the independent market research consultant (the “Independent Market Research Consultant”) to prepare the independent market research report (the “Independent Market Research Report”). (See “Appendix F – Independent Market Research Report” of this Prospectus for further details.) While the Trustee-Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Trustee-Manager has not independently verified any of the data from third-party sources or ascertained the underlying economic assumptions relied upon therein. Consequently, none of Dasin Retail Trust, the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager or the Joint Bookrunners and Underwriters makes any representation as to the accuracy or completeness of such information, and each of them shall not be held responsible in respect of any such information and shall not be obliged to provide any updates on the same.

The Trustee-Manager has appointed each of Savills Valuation and Professional Services Limited ("Savills") and Colliers International (Hong Kong) Ltd ("Colliers") as the independent valuer of the Properties and Shiqi Metro Mall (together, the “Independent Valuers”). (See “Appendix E – Independent Property Valuation Summary Reports” of this Prospectus for further details.)
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OVERVIEW

The following section is qualified in its entirety by, and is subject to, the more detailed information contained or referred to elsewhere in this Prospectus. The meanings of terms not defined in this section can be found in the Glossary or in the trust deed constituting Dasin Retail Trust dated 15 January 2016, as supplemented by a first supplemental deed dated 27 December 2016 (the “Trust Deed”). A copy of the Trust Deed can be inspected at the registered office of the Trustee-Manager, which is located at 8 Marina Boulevard #14-02 Marina Bay Financial Centre Tower 1 Singapore 018981.

Statements contained in this section that are not historical facts may be forward-looking statements. Such statements are based on certain assumptions and are subject to certain risks and uncertainties which could cause actual results of Dasin Retail Trust to differ materially from those forecasted or projected. (See “Forward-Looking Statements” of this Prospectus for further details.) Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by Dasin Retail Trust, the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters or any other person or that these results will be achieved or are likely to be achieved. Investing in the Units involves risks. Prospective investors are advised not to rely solely on this section, but to read this Prospectus in its entirety and, in particular, the sections from which the information in this section is extracted, and “Risk Factors” to better understand the Offering and Dasin Retail Trust’s businesses and risks.

OVERVIEW OF DASIN RETAIL TRUST

Dasin Retail Trust is a registered business trust that is registered under the BTA and will be listed on the Main Board of the SGX-ST. Dasin Retail Trust’s principal investment mandate 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.

Key Objectives

The Trustee-Manager’s key objectives are to provide unitholders of Dasin Retail Trust (“Unitholders”) with an attractive rate of return on their investment through regular and stable distributions to Unitholders and to achieve long-term sustainable growth in DPU and net asset value (“NAV”) per Unit, while maintaining an appropriate capital structure for Dasin Retail Trust.

Initial Portfolio

As at the Listing Date, Dasin Retail Trust’s initial property portfolio comprises three retail malls located in Zhongshan City in PRC (the “Initial Portfolio”), with an aggregate GFA of approximately 314,884.9 sq m. Based on the sum of the average of the two independent valuations by the Independent Valuers for Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour, the Initial Portfolio has an aggregate value of approximately RMB 4.6 billion (equivalent to approximately S$944.7 million based on an exchange rate of S$1.00: RMB 4.83) as at 30 June 2016.

The Initial Portfolio consists of the following properties:

(a) Xiaolan Metro Mall (小榄店): a 100.0% stake in a shopping mall located at No. 18 Shengping Middle Road, Xiaolan Town, Zhongshan, Guangdong Province, PRC, with a GFA of 108,690.3 sq m (including car park space of 20,455.2 sq m) (“Xiaolan Metro Mall”). It
commenced operations in September 2005. Xiaolan Metro Mall comprises a basement level of car park space and five levels above ground. It provides an array of leisure and entertainment and food and beverage (“F&B”) choices, which include a supermarket and a cinema. Xiaolan Metro Mall appeals to mainly local residents from the high density residential communities located near the shopping mall;

(b) **Ocean Metro Mall** (远洋): a 100.0% stake in a mid-to mid-upper tier shopping mall located at No. 28 Boai Six Road, Dongqu District, Zhongshan, Guangdong Province, PRC, with a GFA of 180,338.0 sq m (including car park space of 94,343.1 sq m) (“Ocean Metro Mall”). It commenced operations in December 2014. It comprises a 5-storey shopping mall over-mounting a 3-level basement retail and 1,991 basement car park lots. Ocean Metro Mall provides an array of retail, F&B and entertainment and cultural choices, which include a supermarket, a furniture shop, cinemas, a fitness centre and a karaoke outlet. Ocean Metro Mall attracts mainly students from the schools located in the vicinity, residents from the nearby residential communities, employees working in the office buildings nearby and the visitors of the nearby convention centre; and

(c) **Dasin E-Colour** (溢彩荟): a 100.0% stake in a nine-storey shopping mall located at South Tower, No. 4 Qitou New Village Longfeng Road, Shiqi District, Zhongshan, Guangdong Province, PRC, with a GFA of 25,856.6 sq m (“Dasin E-Colour”). It commenced operations in May 2015, and is a one-stop destination offering F&B, fashion, leisure and entertainment services. Part of the eighth and ninth levels houses a business incubator for students of Electronic Science and Technology of China (Zhongshan Institute), which opened in December 2016. The entire seventh level, which is utilised for a karaoke and other entertainment facilities, commenced operations in November 2016. Dasin E-Colour’s target customer base is mainly the teacher and student population from a university in the vicinity, in particular, the youths.

For the avoidance of doubt, the Initial Portfolio does not include Shiqi Metro Mall and the Doumen Metro Mall Development Project (as defined herein) as they will not be acquired by Dasin Retail Trust as at the Listing Date.

**Acquisition of Shiqi Metro Mall (石岐店) and the Shiqi Rental Management Company**

In addition to the foregoing Properties, Singapore Dasin Commercial Holdings Pte. Ltd. (“Singapore Holdco”) entered into a framework agreement with Mr. Zhang Zhencheng and Zhongshan Dasin Management and Investment Co., Ltd. (“Dasin Management and Investment”) on 13 January 2017, for Dasin Retail Trust to acquire (via the acquisition of the Shiqi PRC Property Company) Shiqi Metro Mall (石岐店), a shopping mall located at No. 2, South Dasin Road, Shiqi District, Zhongshan, Guangdong Province, PRC, with a GFA of 119,681.9 sq m (including car park space of 18,096.8 sq m) (“Shiqi Metro Mall”) and Zhongshan Shiqi Dasin Xinduhui Commercial Management Co., Ltd. (中山市石岐大信新都汇商业管理有限公司), the rental management company of Shiqi Metro Mall (the “Shiqi Rental Management Company”), a wholly-owned subsidiary of Dasin Management and Investment, from Dasin Management and Investment (the “Shiqi Framework Agreement”).

Shiqi Metro Mall commenced operations in May 2004. It comprises two basement levels of car park space and five levels above ground, providing an array of retail, F&B, children stores and leisure and entertainment choices, which include a department store selling children’s products, cinemas and a karaoke outlet.

Shiqi Metro Mall has been mortgaged to certain banks and financial institutions pursuant to certain loan facilities. Save for the loan facilities that have been granted to the entities in the Dasin Retail Trust Group (as defined herein), the Sponsor requires some time to negotiate with the banks and
financial institutions on the unwinding of these loan facilities and the discharge of the mortgages. As such, Dasin Retail Trust will only complete the acquisition of Shiqi Metro Mall pursuant to the Shiqi Framework Agreement after the Sponsor unwinds all the loan facilities granted or transferred to the entities that are not part of the Dasin Retail Trust Group and after the corresponding mortgages are discharged.

Under the Shiqi Framework Agreement, Mr. Zhang Zhencheng will incorporate a Singapore holding company ("Shiqi Holdco"), which will in turn incorporate two wholly-owned subsidiaries in Singapore, one of which will be used to acquire a project company, Zhongshan Xin Kong Commercial Management Co., Ltd. (中山市信控商业管理有限公司), established by Dasin Management and Investment to hold Shiqi Metro Mall (the "Shiqi PRC Property Company"), and the other of which will be used to acquire the Shiqi Rental Management Company, a wholly-owned subsidiary of Dasin Management and Investment. After the Shiqi PRC Property Company and the Shiqi Rental Management Company have been acquired by the subsidiaries of Shiqi Holdco, Dasin Retail Trust will then acquire Shiqi Holdco from Mr. Zhang Zhencheng at a purchase consideration of approximately RMB 1,224.0 million, which is arrived at on a willing-buyer and willing-seller basis based on the implied acquisition price of Shiqi Metro Mall of approximately RMB 1,224.0 million\(^1\).

Under the Shiqi Framework Agreement, Mr. Zhang Zhencheng is obliged to enter into a sale and purchase agreement for the sale of Shiqi Holdco to Dasin Retail Trust (via Singapore Holdco) (the "Shiqi Holdco Sale and Purchase Agreement") and complete the sale of Shiqi Holdco by 30 June 2017 (the "Target Shiqi Acquisition Date"). Under the Shiqi Framework Agreement, if the conditions precedent for the acquisition of Shiqi Metro Mall and Shiqi Rental Management Company are not met by the Target Shiqi Acquisition Date, Singapore Holdco is entitled to terminate the Shiqi Framework Agreement as well as the Shiqi Holdco Sale and Purchase Agreement without liability. The Shiqi Framework Agreement provides that it can only be terminated by Singapore Holdco through rescission due to (i) material damage to Shiqi Metro Mall or (ii) breach of the Shiqi Framework Agreement by Dasin Management and Investment or Mr. Zhang Zhencheng (including a failure to meet any of the conditions precedent stipulated in the Shiqi Framework Agreement and failure to provide the banker’s guarantee within the stipulated timeframe).

In addition, if the completion of the acquisition of Shiqi Holdco does not take place on or before the Target Shiqi Acquisition Date, due to a material breach by Mr. Zhang Zhencheng and/or Dasin Management and Investment of the Shiqi Framework Agreement (including a failure to meet any conditions precedent stipulated in the Shiqi Framework Agreement and failure to provide the banker’s guarantee within the stipulated timeframe) or the Shiqi Holdco Sale and Purchase Agreement (as the case may be), Mr. Zhang Zhencheng and Dasin Management and Investment shall jointly and severally compensate Singapore Holdco by paying to Singapore Holdco 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 Singapore Holdco; or (iii) 31 December 2017, whichever is earlier, up to a maximum of RMB 19.6 million for the year 2017. If the completion of the acquisition of Shiqi Holdco does not take place on or before 31 December 2017, due to a material breach by Mr. Zhang Zhencheng and/or Dasin Management and Investment of the Shiqi Framework Agreement (including a failure to meet any conditions precedent stipulated in the Shiqi Framework Agreement and failure to provide the banker’s guarantee within the stipulated timeframe) or the Shiqi Holdco Sale and Purchase Agreement (as the case may be), Mr. Zhang Zhencheng and Dasin Management and Investment shall jointly and severally compensate Singapore Holdco by paying to Singapore Holdco 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 Singapore Holdco; or (iii) 31 December 2017.

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\(^1\) The implied acquisition price of Shiqi Metro Mall is based on the average of the two independent valuations of Shiqi Metro Mall as at 30 June 2016, and determined on a willing-seller and willing-buyer basis.
2018, whichever is earlier, up to a maximum of RMB 56.2 million for the year 2018. Such compensation is without prejudice to the legal remedies that Dasin Retail Trust may seek against Dasin Management and Investment and Mr. Zhang Zhencheng, which may include specific performance and compensation for losses incurred by Dasin Retail Trust due to the breach of the Shiqi Framework Agreement or the Shiqi Holdco Sale and Purchase Agreements (as the case may be).

The compensation amount was determined based on the principle that the distribution yield in Forecast Year 2017 and Projection Year 2018 for Unitholders should be similar even if Shiqi Metro Mall was not acquired. Accordingly, the maximum compensation amounts of RMB 19.6 million for Forecast Year 2017 and RMB 56.2 million for Projection Year 2018 were derived based on the approximate incremental distributable income that was projected to be generated by Dasin Retail Trust from Shiqi Metro Mall for the financial years ending 31 December 2017 and 31 December 2018 had Dasin Retail Trust completed the acquisition of Shiqi Metro Mall on the Target Shiqi Acquisition Date (see “Profit Forecast and Profit Projection” of this Prospectus for further details), and adjusted for Singapore income tax of 17.0% that may be payable by Singapore Holdco on the compensation amount.

The RMB 3.3 million monthly compensation was derived by dividing the maximum compensation amount for the period from 1 July 2017 till 31 December 2017 (both dates inclusive) of RMB 19.6 million over six months, while the RMB 4.7 million monthly compensation was derived by dividing the maximum compensation amount for the period from 1 January 2018 to 31 December 2018 (both dates inclusive) of RMB 56.2 million over 12 months.

As security for the due fulfilment of Mr. Zhang Zhencheng’s and Dasin Management and Investment’s compensation obligations under the Shiqi Framework Agreement, Dasin Management and Investment will provide 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), to the Trustee-Manager on the date the Shiqi Framework Agreement is entered into for the period from 1 July 2017 till 31 December 2017 (both dates inclusive). If the acquisition of Shiqi Metro Mall is not completed on or before 31 December 2017, Dasin Management and Investment undertakes to provide a banker’s guarantee of RMB 56.2 million to the Trustee-Manager by 31 December 2017 for the period from 1 January 2018 to 31 December 2018 (both dates inclusive). If the acquisition of Shiqi Metro Mall is not completed on or before 31 December 2018, then Singapore Holdco may terminate the Shiqi Framework Agreement as well as the Shiqi Holdco Sale and Purchase Agreement without liability on the part of Singapore Holdco.

The acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company (via the acquisition of Shiqi Holdco) by Dasin Retail Trust will be wholly financed by debt, and will be made conditional upon certain conditions being met, for example, the receipt of all relevant titles (including the Building Ownership Certificate for the newly constructed extension of Shiqi Metro Mall, which is approximately 674.3 sq m. See “Risk Factors – Risks Relating to the Properties and Shiqi Metro Mall – The Building Ownership Certificate in respect of a portion of Shiqi Metro Mall comprising a newly constructed area of 674.3 sq m has yet to be obtained.” of this Prospectus for further information) and the discharge of all encumbrances of Shiqi Metro Mall. Each of Dasin Management and Investment and Mr. Zhang Zhencheng has undertaken in the Shiqi Framework Agreement that it/he will use best endeavours to ensure that all encumbrances of Shiqi Metro Mall will be discharged by the Target Shiqi Acquisition Date.

Prior to execution of the Shiqi Holdco Sale and Purchase Agreement, the Trustee-Manager will appoint two independent valuers who will each conduct an independent valuation of Shiqi Metro Mall. If the average of the two independent valuations falls below RMB 1,224.0 million, the purchase price of Shiqi Holdco will be reduced to the average or lower than the average of the two independent valuations as mutually agreed between Mr. Zhang Zhencheng and Singapore Holdco. There will not be any upward adjustment to the implied acquisition price of Shiqi Metro
Mall of approximately RMB 1,224.0 million, regardless of whether one or both valuations is/are higher than RMB 1,224.0 million, unless Unitholders’ approval to amend the terms of the Shiqi Framework Agreement has been obtained at an extraordinary general meeting. Mr. Zhang Zhencheng, as settlor of the Zhang Family Trust, has undertaken in the Shiqi Framework Agreement that in the event there is any amendment to the Shiqi Framework Agreement, and Unitholders’ approval is required for such amendment(s), he shall procure the Family Trustee (as defined herein), as the trustee of the Zhang Family Trust, to abstain from voting in respect of its Units.

The Constitution of the Trustee-Manager provides that a director of the Trustee-Manager shall not vote in respect of any transaction, contract or arrangement or any other proposal in which he has any personal material interest, directly or indirectly. Accordingly, as the vendor of the Shiqi PRC Property Company and the Shiqi Rental Management Company, Mr. Zhang Zhencheng is unable to vote in a meeting of the Board of Directors on matters relating to the Shiqi Framework Agreement and the Shiqi Holdco Sale and Purchase Agreement, as Mr. Zhang Zhencheng has a personal material interest in the Shiqi Framework Agreement and Shiqi Holdco Sale and Purchase Agreement. The Shiqi Framework Agreement provides that it can only be terminated by Singapore Holdco through rescission due to (i) material damage to Shiqi Metro Mall or (ii) breach of the Shiqi Framework Agreement by Dasin Management and Investment (including failure to meet any of the conditions precedent for the acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company by the Target Shiqi Acquisition Date).

For the avoidance of doubt, there are no deposits payable by Dasin Retail Trust or Singapore Holdco for the acquisition of Shiqi Metro Mall under the Shiqi Framework Agreement. The Shiqi Framework Agreement does not provide for any sums to be payable by Dasin Retail Trust or Singapore Holdco in the event the acquisition of Shiqi Metro Mall is not completed.

The Shiqi Framework Agreement and the acquisition of Shiqi Holdco are interested person transactions under Chapter 9 of the Listing Manual and the purchase consideration of approximately RMB 1,224.0 million for Shiqi Holdco under the Shiqi Framework Agreement is deemed to be approved by the Unitholders upon the subscription for Units.

(See “Business and Properties – Overview – Acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company” and “Certain Agreements Relating to Dasin Retail Trust and the Properties – Shiqi Framework Agreement” of this Prospectus for further details on the acquisition of Shiqi Metro Mall.)

**Doumen Purchase Option to acquire the Doumen Metro Mall Development Project (斗门店)**

Further, Dasin Management and Investment has on 27 December 2016 granted to Singapore Holdco, an option to acquire the Doumen Metro Mall development property (斗门店) (the aggregate GFA of which is to be not less than 167,794.1 sq m) (the “Doumen Purchase Option”), which is a development project in the Doumen District of Zhuhai City in PRC that is undergoing construction and which is expected to be completed and to commence operations in the second quarter of 2018 (the “Doumen Metro Mall Development Project”).

The Doumen Metro Mall Development Project is intended to be a large-scale integrated shopping mall that will provide a one-stop destination for leisure and entertainment, F&B and retail activities, and is expected to comprise two basement levels of car park space and six levels above ground.

Prior to the exercise of the Doumen Purchase Option, the Trustee-Manager will appoint two independent valuers who will each conduct independent valuations of the Doumen Metro Mall Development Project. The purchase price of the Doumen Metro Mall Development Project shall be determined by mutual agreement between both parties but shall not exceed the lower of the two independent valuations undertaken on an “as-is” basis at the time of the exercise of the Doumen Purchase Option. The Doumen Purchase Option shall be exercisable by Singapore Holdco from
the Listing Date and shall expire upon the issuance of the completion certificate in respect of the Doumen Metro Mall Development Project by the relevant PRC authorities. Any change to the terms of the Doumen Purchase Option will be subject to Rules 905 and 906 of the Listing Manual.

For the avoidance of doubt, in the event the Doumen Purchase Option is not exercised by the expiry of the term of the Doumen Purchase Option, the Doumen Metro Mall Development Project will constitute a ROFR Property (as defined herein).

(See “Business and Properties – Overview – Purchase Option to acquire the Doumen Metro Mall Development Project” and “Certain Agreements Relating to Dasin Retail Trust and the Properties – Doumen Purchase Option” of this Prospectus for further details on the Doumen Purchase Option.)

(See “Business and Properties” of this Prospectus for further details on the Initial Portfolio, Shiqi Metro Mall and the Doumen Metro Mall Development Project.)

KEY INVESTMENT HIGHLIGHTS

The Trustee-Manager believes that an investment in Dasin Retail Trust offers the following attractions to Unitholders:

1. **Only China retail property trust to be listed in Singapore providing direct exposure to the fast-growing Pearl River Delta (“PRD”) region**

   Upon listing, Dasin Retail Trust will be the only property trust to be listed in Singapore with retail properties located in Zhongshan, a city strategically located at the heart of the PRD region. An economic powerhouse in PRC with strong exporting capabilities, the PRD region city cluster is expected to register strong continuous growth in the coming years. Fuelled by PRD’s strong growth dynamics, Zhongshan is expected to see continued strong retail sales growth driven by population growth and increasing disposable income per capita that will directly benefit Dasin Retail Trust.

   **a. China’s growing domestic consumption**

   Figure: China Nominal gross domestic product (“GDP”) per capita and Real GDP Growth (2008-2020F)

   ![Diagram showing China GDP per capita and growth](source.png)

   Source: CBRE. (See “Appendix F – Independent Market Research Report” of this Prospectus for further details.)
According to CBRE, China’s economy has experienced rapid economic growth over the last two decades to become one of the fastest growing economies in the world and China’s strong economic growth is evidenced by its real GDP growth rate hitting 8.6% per year between 2008 and 2015, exceeding the world average of 3.3%, as well as other developed economies such as the United States (1.4%), Euro Zone (0.1%) and Japan (0.3%), over the same period. To ensure sustainable growth in the future, the Chinese government has taken measures to shift its economic priorities from investment-and export-led growth to focusing on growth underpinned by domestic consumption. Strong consumer spending growth is supported by increasing disposable income per capita, which increased at a compound annual growth rate ("CAGR") of 10.2% between 2008 and 2015. Likewise, China’s retail sales of consumer goods increased at a CAGR of 14.8% between 2008 and 2015.

b. Strong economic growth in the PRD region

According to CBRE, Guangdong province has been consistently ranked as the largest provincial economy in China by GDP and accounted for 10.8% of the national total with a nominal GDP of RMB 7,281.0 billion in 2015, which is almost as big as Spain’s. The PRD region constitutes 85.5% of Guangdong’s GDP and it is a core part of Guangdong’s economy.

The PRD consists of nine cities in Guangdong province, namely, Guangzhou, Shenzhen, Zuhui, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing. With a resident population of 58.7 million people, the PRD is one of the most densely urbanised regions in the world and has surpassed the Greater Tokyo region’s population of 36 million people to become the world’s largest urban area in both size and population. As of 2015, the PRD had a nominal GDP of RMB 6,226.8 billion (at least three times the size of Singapore’s), and a real GDP growth of 8.6% relative to 2014. This compares favourably with many regional and global economies, including Malaysia (5.0%), Singapore (2.0%), Japan (0.6%), Spain (3.2%) and France (1.2%). Average GDP per capita was estimated to be approximately RMB 107,011, more than double the China national average. At the end of 2015, the urban household disposable income per capita of PRD reached RMB 38,061, approximately 22.0% higher than the China national average. Comprising only 0.6% of China’s total land area and 4.3% of the total population, the PRD region accounted for 26.0% of the country’s exports and benefited from almost 33.0% of inbound foreign direct investment as of 2015.

The regional integration in the Greater PRD region, which includes the Hong Kong Special Administrative Region ("Hong Kong") and the Macau Special Administrative Region ("Macau") of Mainland China, on top of the nine cities which make up the PRD region, will drive further trade and investment in the region. This will have a positive spillover effect on Zhongshan’s trade and investment climate.
c. Increased connectivity in the PRD region will fuel Zhongshan’s economic growth

Zhongshan is part of PRD and is adjacent to Guangzhou to the north and close to Hong Kong and Macau. Located at the heart of the planned ‘One-hour Intercity Commuting Circle’, Zhongshan is currently connected to major cities within the PRD region via various major roads and the Guangzhou-Zhuhai Intercity Railway.

Source: CBRE. (See “Appendix F – Independent Market Research Report” of this Prospectus for further details.)
Zhongshan’s connectivity with the rest of the PRD region is poised to receive a significant boost with the construction of the Shenzhen-Zhongshan Bridge, a major infrastructure development initiative which will connect Shenzhen with Zhongshan across the PRD. According to CBRE, the bridge will aim to reduce the commute time between Shenzhen and Zhongshan to 30 minutes. Starting from the Shenzhen Airport transportation hub, crossing the Pearl River and ending at Ma’an Island in the Cuiheng New District in Zhongshan, a provincial-level economic development zone, it is expected to be the main public transportation route between the greater Shenzhen area and the Zhuhai – Zhongshan – Jiangmen area.
The completion of the Shenzhen-Zhongshan Bridge is expected to provide an impetus for some residents to live in Zhongshan and work in Shenzhen with the round-trip commute time cut to about an hour. This trend may be further enhanced by Shenzhen’s recent focus on developing its western region, where the Qianhai Modern Service Zone is already thriving. This area will be among the closest areas to Zhongshan after completion of the bridge. The potential inflow of residents could be expected to stimulate consumption in Zhongshan.

In addition, the bridge would provide more convenient access to Shenzhen Bao’an International Airport, potentially making Zhongshan more attractive as an investment destination.

Figure: Shenzhen-Zhongshan Bridge

The Hong Kong – Zhuhai – Macau Bridge is a massive infrastructure development currently under construction aiming to facilitate transportation between Hong Kong, Zhuhai and Macau. According to CBRE, the project is expected to be completed in 2018 and upon completion, the travel time between Hong Kong and Zhuhai would be shortened to about 30 minutes, and the travel distance from Zhongshan to Hong Kong International Airport would be reduced to about 91.0 km.

The bridge is expected to play an important role to boost economic development of PRD region especially west PRD area. It is expected that the bridge can stimulate manufacturing related industries, logistics industry, and infrastructure developments in Zhuhai and Zhongshan. Zhuhai is considered to be the future transportation hub for west PRD.
Much like the case for the Shenzhen – Zhongshan Bridge, spillover demand for residential units in Zhongshan is expected to be created from Hong Kong and Macau residents.

**Figure: Hong Kong – Zhuhai – Macau Bridge (HZMB)**

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**d. Zhongshan is a leading global manufacturing hub for various industries**

Zhongshan is characterised by various specialised manufacturing towns, which have gained worldwide repute as leading manufacturing bases for their respective industries. According to CBRE, a few notable industries in Zhongshan are the lights industry, rosewood furniture industry, metal fittings industry and electronic acoustics industry.

i. China’s Lighting Capital

Guzhen Town, also known as China’s Lighting Capital, accounts for a large proportion of the national output of lighting fittings. As of 2015, the total output of the local lighting industry was RMB 17.7 billion. Around the same time, there were over 9,000 lighting companies in Guzhen Town, most of which were PRC enterprises. Products from Guzhen Town are known to be exported to Taiwan, Hong Kong and Macau, and further away destinations such as North America and Europe.

ii. “Lock City of the South” and “Electronic Acoustic Industrial Base” in China

Xiaolan Town’s economy is driven by manufacturing, and it is most widely known as being the “Locks and Hardware” and “Electronic Acoustics” industrial base of China. Both local and foreign enterprises specialised in the production of domestic stereo, DVDs, high-tech digital audio equipment and loudspeakers are located in Xiaolan Town. According to CBRE, Xiaolan Town has over 100 nationally recognised companies, including Vatti, an electric oven manufacturer, and Luxking...
Group Holdings Limited, a pressure-sensitive adhesive manufacturer. Foreign companies that have presence in Xiaolan Town include Honeywell, Danone, TTM Technologies and Dow Chemical Company.

e. First-class economic opportunities in a growing city

According to CBRE, Zhongshan’s average annual real GDP growth of 10.7% between 2008 and 2015 is significantly higher than the China national average of 8.6% during the same period. Zhongshan’s GDP per capita grew at a CAGR of 8.5% between 2009 and 2015, reaching RMB 93,770 in 2015. Zhongshan’s GDP per capita in 2015 was nearly twice the China national average of RMB 49,351 in 2015, and its disposable income per capita at RMB 37,254 in 2015 is 19.4% higher than the China national average of RMB 31,195 in the same year, while its retail sales per capita at RMB 33,637 in 2015 is 53.6% higher than the China national average of RMB 21,892 in the same year. These statistics indicate that Zhongshan has a relatively high level of economic productivity and standard of living as compared with the China national average.

Figure: Zhongshan GDP per capita is nearly two times the national average in 2015

Source: CBRE. (See “Appendix F – Independent Market Research Report” of this Prospectus for further details.)

According to CBRE, Zhongshan’s population density is on par with Guangzhou at approximately 1,783 persons per sq km, and the city has an urbanisation rate of 88.1%, which is significantly higher than the China national level of 56.1%. Zhongshan’s consumer expenditure of urban residents grew at a CAGR of 5.4% between 2008 and 2015. Consumer expenditure accounted for 65.3% of disposable income in Zhongshan as of 2015, indicating a relatively strong consumer spending culture. The city’s retail sector is therefore expected to benefit from this trend.

Some prominent real estate investors and developers have invested in Zhongshan in recent years, including Keppel Land, Sun Hung Kai Properties, and Century Bridge Capital. These investments have been driven by the rising middle class in Zhongshan as well as the ongoing and planned improvements in local infrastructure, including the Hong Kong-Zhuhai-Macau Bridge and Shenzhen – Zhongshan Bridge.
Zhongshan’s residential market has seen significant growth in sales volume between 2010 and 2015 with average annual sales volume rising from 5.9 million sq m in 2010 to 10.2 million sq m in 2015, demonstrating a CAGR of 12.0% during the period. A particularly active residential market was witnessed in 2015 as evidenced by a year-on-year increase of 42.0% in transaction volume.

Figure: Zhongshan residential market sales volume and average sales price trend

According to data from January to July in 2016, residential transaction volume reached approximately 7.0 million sq m, an increase of 39.0% compared with the data during the same period in 2015. The average selling price has increased 17.0%, from RMB 5,712 per sq m to RMB 6,682 per sq m in 2016.

Strong demand for residential properties in Zhongshan has been primarily driven by the following factors:

1. Upgrade demand: with increasing income levels and the growth of the middle class, the demand for improved living conditions has been evident in Zhongshan, as it is in many of China’s cities. Improved purchasing power has therefore led to increased demand for newly constructed residential units in the city.

2. The Central Government’s aim to facilitate residential sales outside of 1st tier cities: since the 2nd half of 2015, the Chinese government launched a series of policies to loosen previous restrictions and to encourage residential sales in China’s lower tier cities. Key policies and actions include: a lower down payment requirement for second home buyers and more attractive home loan interest rates.

3. Spillover demand from Shenzhen: an increasing number of people who work in Shenzhen are purchasing apartments in Zhongshan due to the housing price spike in Shenzhen in 2015. In March 2016, the Shenzhen government implemented a few more policies in an attempt to curb rising prices and to drive demand to nearby cities. These policies include: (a) tighten household purchase restriction and increase the minimum requirements of local tax payment/social security from one year to three years; (b) the definition of “first-time home buyer” has been changed.
from “no outstanding mortgage whether the buyer owns properties” to “no outstanding mortgages within two years and not owning property”; (c) the definition of “second-time home buyer” has been changed from “having one outstanding mortgage within two years when applying for a current mortgage to “having a mortgage record within two years”; and (d) minimum down payment requirements for a second home is 40.0% and 30.0% for the first home. The construction of Shenzhen – Zhongshan Bridge is expected to continue to support this trend going forward. It is noted that Shenzhen residents are allowed to use their government backed housing funds to purchase apartments in Zhongshan.

The ongoing development and modernisation of Zhongshan’s residential market has also indirectly impacted the city’s retail market. Such impacts include influencing consumer behaviour away from traditional retail formats, including local markets and street front shops to more organised retail formats such as shopping malls and department stores. In some cases, this trend is linked to consumers being drawn away from older neighbourhoods to more newly developed areas of the city where such more organised retail formats are more prevalent.

Supplemental demand for retail is also being created as more buyers from outside of Zhongshan move to the city in search of more reasonable residential prices and a more desirable living environment.

Source: CBRE. (See “Appendix F – Independent Market Research Report” of this Prospectus for further details.)

2. Leverage on the Sponsor’s strong track record, execution experience and strategic partnerships

a. A nationally-recognised local champion with a fully integrated retail real estate platform

The Sponsor is one of the top real estate developers in Zhongshan with over 15 years of experience since its establishment on 13 July 2001, and has a strong reputation for its strength in commercial real estate development. It has forged the way in modernising Zhongshan’s retail property landscape with its award-winning brand of malls, Dasin Metro Malls (大信新都汇). The Sponsor holds a Grade 1 Real Estate Development Licence in PRC, and has been awarded multiple national-level industry awards which include “China’s Top 10 Commercial Real Estate Development Companies” from 2012 to 2016, “China’s Top 10 Fastest Growing Commercial Real Estate Development Companies” from 2012 to 2014 and “China’s Top 500 Real Estate Development Companies” from 2012 to 2015. These awards were given on the basis of the Sponsor’s strong property development and management capabilities. In a short span of 15 years, the Sponsor has successfully developed and operated various commercial and residential properties located throughout Zhongshan, in different towns with different characteristics. Based on the Independent Market Research Report, the Sponsor is the leading developer of good-grade completed retail properties in Zhongshan by GFA, with a market share of 37.2%.

1 A Grade 1 Real Estate Development Licence is the highest grade for PRC real estate development enterprises and according to Article 18 of Administrative Regulation of PRC on Real Estate Development Enterprise, a real estate development enterprise with Grade 1 licence is permitted to contract for real estate development projects in PRC without any restrictions as to the construction scale.
Figure: Good-grade retail properties in Zhongshan by market share based on GFA in 2016

Source: CBRE. (See “Appendix F – Independent Market Research Report” of this Prospectus for further details.)

The Sponsor operates a fully integrated retail real estate platform that includes:

- Development management involving design, construction and project management;
- Operations involving leasing, marketing and promotions, tenancy design, technical services and day-to-day centre management; and
- Investment and asset management.

The broad-based retail platform of the Sponsor provides Dasin Retail Trust with the flexibility to seek interests in the development phase of projects or in newly completed products which are in the early cycles of leasing, providing Dasin Retail Trust with an opportunity to negotiate more attractive entry prices and initial yields.

In addition, the integrated retail real estate platform enables the Sponsor to combine its strong design and development capabilities with its sound shopping mall operation strategies to create multiple competitive advantages for its malls.

b. The Sponsor possesses strong design and development capabilities

When developing large plots of land, the Sponsor may develop both residential and commercial properties together to build a large catchment area for the shopping malls. Shiqi Metro Mall is one of many examples where residential communities were built next to the shopping mall. In addition, as the Sponsor develops and operates the malls, it possesses a deep understanding of the characteristics of the area where its malls are located. This enables the Sponsor to design the malls according to consumer preferences and attract the optimal tenant mix at an earlier stage to achieve high
occupancy rates once the malls are completed. According to CBRE, the Sponsor has been able to achieve an average occupancy rate of more than 90.0% for its recently completed malls\(^1\) by the time the malls are able to commence operations. As a result, the Sponsor is able to deliver relevant and consumer-centric shopping malls from the start while enjoying cost efficiencies.

c. **The Sponsor implements sound mall operations strategies**

The Sponsor has a management philosophy that is built upon the foundations of sincerity and trust, and believes in creating win-win long-term relationships for all stakeholders in the course of its business. The Sponsor focuses on building an ecosystem that adds value to both tenants and customers, which, in return, enhances the competitive advantage of its shopping malls. Apart from ensuring that tenants enjoy sustainable lease structures and actively managing the properties to constantly improve the customer experience, the Sponsor adopts an online-to-offline (“O2O”) commerce business model for its shopping malls through its Dasin Pass platform.

The Dasin Pass platform was developed by Dasin Pass Smart Technology Co., Ltd. (中山市大信通智能科技有限公司) (“Dasin Pass”), a business arm of the Sponsor that invests in and develops the infrastructure to integrate retailing and marketing solutions with various payment platform options. This platform serves to connect customers, tenants and the Sponsor through membership benefits, online-to-offline services and an information database that delivers insights into the needs of customers and tenants. By adopting such a business strategy, the Sponsor aims to draw customers from online channels to physical stores while being the shopping mall operator of choice among tenants.

Through the Dasin Pass platform, the Sponsor continues to:

- **Build a stable and growing membership base for the Sponsor’s shopping malls**

Customers are able to register as Dasin Pass members and through the Dasin Pass smartcard, they will be able to enjoy attractive discounts and accumulate reward points at Dasin’s shopping malls through the use of their membership card. In addition, the Sponsor is able to use this platform to easily and continually scale and launch promotional events at its shopping malls targeted at various customer groups within its membership programme.

The Dasin Pass smartcard is a contactless pre-paid card with access control functionalities. Members of Dasin Pass are not only eligible to enjoy attractive discounts and accumulate reward points when shopping with the Dasin Pass smartcard at Dasin’s shopping malls, they can also use the Dasin Pass smartcard to access school and residential buildings. The Dasin Pass smartcard is positioned to be a single card that members can use to meet their daily shopping and living needs.

As at 30 November 2016, there are over 500,000 members of Dasin Pass and approximately 20,000 holders of the customised University Dasin Pass smartcard. These approximately 20,000 holders of the University Dasin Pass smartcard comprise students and staff from the University of Electronic Science and

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\(^1\) Refers to Ocean Metro Mall and Guzhen Metro Mall (a ROFR Property) which were developed by the Sponsor and which commenced operations in December 2014. For the avoidance of doubt, Guzhen Metro Mall does not form part of the Initial Portfolio. (See “Business and Properties – ROFR Properties – Completed ROFR Properties in PRC” of this Prospectus for more information on Guzhen Metro Mall.)
Technology of China (Zhongshan Institute), which is located opposite Dasin E-Colour. The Sponsor estimates membership for Dasin Pass to grow to 1.3 million paying members by the end of 2017.

- **Harness the value of Big Data to deliver data-driven marketing insights**

  The Sponsor launched the cloud platform for reward points accumulation and membership system via Guangdong UnionPay, and officially launched the Dasin Pass application on handheld devices and personal computers to complement customers’ buying behaviour on multiple platforms, allowing them greater access to the O2O mode of shopping. The retail sales data that has been gathered in the cloud platform can be used to assist tenants in personalised marketing. The ability of the platform to assist tenants in personalised marketing to customers enhances the tenants’ product offerings and customer service, thereby greatly boosting the competitiveness of Dasin’s shopping malls.

  With the continuous promotion and development of the Dasin Pass membership base, it is expected that there will be an accelerated growth in retail sales data collected in its cloud platform, providing the Sponsor’s shopping malls with data-driven marketing insights. The Big Data O2O operating model gives Dasin’s shopping malls a strong competitive advantage as it is difficult to replicate the ecosystem that the Sponsor has already put in place.

- **Establish alternative payment platforms that provide a more relevant and enjoyable shopping experience to customers**

  The Sponsor has invested over RMB 30.0 million in technology to create contactless pre-paid smart cards, internet payment systems and the Dasin Pass website and mobile applications to develop the infrastructure of a retail ecosystem. The Sponsor partnered with leading players in Southern China’s intelligent residential applications, to develop the pre-paid card payment system, the contactless pre-paid and access control card and the internet payment systems respectively.

  Dasin Pass also collaborates with various major Chinese financial institutions in a wide-range of areas such as reserve regulation, offline and online card top-up services, joint promotion of Dasin Pass self-service top-up machines as well as allowing the banks’ credit card reward points to be convertible into Dasin Pass reward points that can be spent in Dasin’s shopping malls. The Dasin Pass platform has successfully attracted major banks and tenants to use the same payment platform, thereby displaying its robustness and success in growing the retail ecosystem.

  The Sponsor’s shopping malls have undergone a transformation over the past decade and now operate on a new business model where the website and cloud-based platform of Dasin Pass have been integrated into its business model. Customers are able to shop more conveniently with the use of the Dasin pass pre-paid smartcard offline and online on the Dasin Pass website and mobile applications. This new business model enables physical stores to become more experiential, resulting in a more optimal use of retail space, a wider variety of products sold online round-the-clock, and personalised marketing targeted at a larger and more stable membership base.
d. The Sponsor’s integrated platform delivers multiple competitive advantages for Dasin Metro Malls

Combining its strong development and operational capabilities, the Sponsor Group has developed customer-centric malls under the branding of Dasin Metro Malls (the “Dasin Metro Malls”), supported by a sound business model that enhances customers’ shopping experience, thereby increasing customer acquisition and retention, which contributes to higher footfall and retail sales at Dasin Metro Malls. This is expected to increase the level of rent that the Sponsor Group’s shopping malls are able to command. Tenants are willing to lease on a repeated basis at higher rentals and the Sponsor Group’s strong tenant network ensures that the Sponsor Group will be able to fill up new malls easily with quality tenants. The existence of repeated tenants across the Sponsor Group’s shopping malls is testament to their confidence in the Sponsor Group’s strong operational capabilities.

Figure: Existing tenants’ willingness to operate in the Sponsor Group’s other shopping malls is testament to the Sponsor Group’s strong operational capabilities

Dasin E-Colour is excluded as it is of a different mall type (much smaller scale) compared to the malls that the Sponsor Group typically develops.

Source: The Sponsor (as at 30 June 2016).

Notes:

(1) Mr. Zhang Kaicheng, an associate of Mr. Zhang Zhencheng, the Chairman and Non-Executive Director of the Trustee-Manager, holds 19.0% of the interests in Zhongshan Youyuecheng Store Management Co., Ltd. Mr. Zhang Zhongming, the Non-Executive Director of the Trustee-Manager, holds 17.1% of the interests in Zhongshan East Youyuecheng Store Management Co., Ltd.

(2) Yuan Yang Dasin Food Services Co., Ltd. is wholly owned by Dasin Food Services Co., Ltd., of which 80.0% of its interests is held by Dasin Merchant Investment. Dasin Merchant Investment is indirectly wholly-owned by the Zhang Vendors.

(3) Mr. Zhang Zhongming, the Non-Executive Director of the Trustee-Manager, holds 30.0% of the interests each in Zhongshan Jianmei Jane Eyre Home Furnishing Co., Ltd, Xiaolan Branch and Jianmei Furniture Co., Ltd. (Dongqu Branch).
e. The Sponsor’s strong retail property development and operation track record attracts well-credentialed strategic partners

Due to the Sponsor’s extensive experience in developing and operating shopping malls in Zhongshan, it has been able to enter into strategic partnerships which are expected to provide Dasin Retail Trust with access to a significant pipeline of attractive acquisition opportunities. For example, the Sponsor entered into a joint venture with Sino-Ocean, a reputable Hong Kong listed real estate developer, to develop Ocean Metro Mall while Sino-Ocean developed office buildings and residential communities surrounding the shopping mall itself. The Sponsor also partnered with Golden Horse Amusement Investment Co., Ltd. (中山市金马游乐投资经营有限公司), to build an amusement park on the rooftop of Guzhen Metro Mall, one of the shopping malls that the Sponsor currently operates.

The opportunity for the Sponsor to form these mutually beneficial strategic partnerships has arisen because developers of large-scale projects are increasingly being required by the local governments to incorporate quality retail components into their master plans for large mixed-use developments. This is often driven by a desire of local governments to ensure that key strategic sites include well-designed and well-operated retail and commercial components to meet the future needs of a rapidly growing population base.

While many local developers are highly experienced in residential developments, they may have less experience in the design, management and operation of the retail component in a large mixed-use development. In these situations, the Sponsor’s comprehensive retail real estate skill set would be instrumental in assisting them to optimise the mall’s design layout and positioning and to secure the support of the local government for the project. The Sponsor’s integrated retail real estate platform allows them to resolve complex design and planning issues as well as funding for their retail projects.

Through Dasin Retail Trust, the Sponsor is able to offer capital sourcing and retail real estate skill sets, both of which are highly valued by local developers seeking partners for the retail component of their projects.

By acquiring from or co-investing with the Sponsor’s strategic partners in retail assets, Dasin Retail Trust expects to be able to access attractive investment opportunities, while the strategic partners will have an experienced and credible partner to manage the retail component of their projects, allowing them to focus on their residential, office and hotel development components. The Sponsor believes that such mutually beneficial relationships will continue to strengthen as the retail real estate sector in PRC matures and becomes more competitive. The Sponsor will seek to cement existing relationships and develop new partnerships to provide a source of value-enhancing acquisition opportunities for Dasin Retail Trust.
3. **Diversified portfolio of high-quality properties**

a. **Award-winning properties established by sound operational strategy**

Figure: A three-pronged approach to develop and operate Dasin Metro Malls

The Sponsor uses a three-pronged approach to develop and operate its own award-winning brand of shopping malls. Firstly, the Sponsor uses a Big 5 concept – Big Department Store, Big Supermarket, Big Home Furnishings, Big F&B and Big Entertainment, to develop most of its shopping malls to deliver a mega-mall experience which cannot be purchased online. The anchor tenants in each ‘Big’ trade sector serve to attract significant footfall to its malls while providing a stable and long-term tenant base. Secondly, the Sponsor attracts small tenants to lease shop units in its malls to offer more diversified products and services while boosting the yields of the properties, as small tenants tend to pay higher rents compared to anchor tenants. Thirdly, the Sponsor utilises its O2O commerce business model to add value to both tenants and customers. Through Dasin Pass, the Sponsor is able to attract quality tenants as it is able to advise tenants on retailing operations and marketing. The Sponsor is also able to grow the customer membership base through attractive promotions and delivering a more convenient and enjoyable shopping experience to customers. With the establishment of its own proprietary database containing retail sales data as well as consumer preferences, the Sponsor will have a deeper understanding of tenants’ businesses and consumers’ needs and adapt the way Dasin’s shopping malls are operated to deliver relevant shopping malls to tenants and customers in this digital age. In 2013, the Dasin Metro Mall brand was awarded the “Consumers’ Choice Award” by Zhongshan Daily, a leading Zhongshan newspaper group. This award is a reflection of how well-recognised Dasin Metro Malls are by local consumers.

b. **Diversified portfolio offers investors cash flow stability and strong growth potential**

The Properties are located in Zhongshan, and are diversified across different sub-markets with their own different characteristics. Three of the four properties are located within different major retail areas in the core urban area of Zhongshan, while one property (Xiaolan Metro Mall) is located in a satellite town approximately 20.0 km to the northwest of the core urban area. The map below gives the general locations of each of the Properties. The estimated average annual disposable income levels for the main trade area of the three Properties and Shiqi Metro Mall ranges from RMB 35,000 to RMB 45,000, approximately 15.0% above the city average. Population and consumption within the main trade area are expected to grow over the next few years.
The Initial Portfolio also contains a good mix of properties each at different stages of their lifecycle, providing investors with exposure to stable and mature properties and properties with high growth potential. Xiaolan Metro Mall and Shiqi Metro Mall are mature assets that have been in operation for more than 10 years. Xiaolan Town and the Shiqi District are the two largest administrative zones in Zhongshan by residential population. These two Properties enjoy a very established footfall and consumer base. Ocean Metro Mall, on the other hand, was recently completed in 2014 and is located in the emerging urban area of Zimaling Area in the Dongqu District, which has the potential to become the nexus of the neighbourhood, mirroring the progress of Xiaolan Metro Mall and Shiqi Metro Mall when they first began operations. Dasin E-Colour was acquired at the end of 2013 and repositioned to suit the demographics of its immediate surrounding area. Dasin E-Colour is located opposite a 20,000 people strong university and mainly targets the students and staff as well as the residents in the area.
The Properties and Shiqi Metro Mall are also diversified through a well-staggered lease expiry profile as well as a diversified trade mix with no trade sector accounting for more than 25.0% of the Initial Portfolio and Shiqi Metro Mall. A significant portion of the Properties’ and Shiqi Metro Mall’s NLA are leased by tenants belonging to defensive and lifestyle trade sectors, making the malls relevant to consumers.
Figure: NLA Breakdown by Trade Sector* of the Initial Portfolio + Shiqi Metro Mall

As at 30 June 2016

* Blue sections indicate defensive** and lifestyle trade sectors
** Defensive refers to products and services that are less discretionary in nature

(i) Xiaolan Metro Mall

Source: CBRE. (See "Appendix F – Independent Market Research Report" of this Prospectus for further details.)
The three key competitive strengths of Xiaolan Metro Mall are:

- **Excellent accessibility**

Xiaolan Metro Mall is located at the intersection of Shengping Middle Road and Min’an Middle Road in the Xiaolan District, approximately 20.0 km to the northwest of the Zhongshan core urban area. Min’an Middle Road is the one of the major north-south traffic arteries for the Xiaolan District while Shengping Road runs east-west and serves the immediate area around the property. The property is well served by various other public roads that extend to other districts of Zhongshan, and is only 1.2 km west of the Xiaolan Bus Station. In addition to being well served by the road network, the property is also very well served by numerous local public bus routes, including one which stops directly in front of Xiaolan Metro Mall. Xiaolan Metro Mall operates free shuttle bus services to surrounding communities as well as to the Xiaolan Bus Station.

- **Captive and growing trade area**

Xiaolan Town is one of the largest suburban towns in terms of residential population. As Xiaolan Town is located at a significant distance from the core urban area, it has a captive consumer base drawn from its surrounding residents. The main trade area in which Xiaolan Metro Mall is located in contains approximately 18.4% of Zhongshan’s total population. There are several large scale residential communities within the primary trade area, and Xiaolan Town Government, Xiaolan Gymnasium and Zhongshan Xiaolan Middle School, which has over 3,000 students and staff, are all within the primary trade area.

Xiaolan Town is expected to benefit from the North Zone Zhongshan City Reconstruction Programme launched by the government of Guangdong Province aimed at Industry Upgrading, Infrastructure Improvement and Suburban Area Reconstruction. It is expected that resident population levels will have an estimated growth of 2.6% in 2018. The primary trade area’s annual disposable income per capita as at 2015 was estimated to be almost 1.6 times of Zhongshan’s overall average, indicating a relatively higher purchasing power.

- **Strong track record to generate yield**

The average ground floor rental of RMB 292.4 per sq m per month as at June 2016, excluding multiple-floor tenants, is above the average of Xiaolan Metro Mall’s major competitors. This is largely attributed to the experienced retail management team, good location with large amount of footfall, strong brand awareness, and cooperation with retailers. The property has an impressive atrium area with a vaulted glass ceiling that enables the property to host promotional events that increase footfall and drive tenant sales. Xiaolan Metro Mall achieved 100.0% occupancy in the past nine years, from 2007 to 2015.

**Source:** CBRE. (See “Appendix F – Independent Market Research Report” of this Prospectus for further details.)
Most of the non-anchor tenant leases contain a rental escalation clause that provides for an annual adjustment, typically between 6.0% and 10.0%. This can be expected to be beneficial for the cash flow of the property in the short to medium term.

The Sponsor also took active steps to increase the property's yield. For example, in 2012, the Sponsor converted a staff quarter area on levels four and five into a F&B area, and was able to command higher average rent rates at RMB 407.0 per sq m per month.

(ii) Ocean Metro Mall

Not to scale – location of properties and facilities are approximate

Source: CBRE. (See "Appendix F – Independent Market Research Report" of this Prospectus for further details.)
The three key competitive strengths of Ocean Metro Mall are:

- **Excellent accessibility**

  Ocean Metro Mall is located at the intersection of Boai Road and Bolan Road in the Dongqu District, within the core urban area of Zhongshan. Qiwan Road and Changjiang Road are two of the main traffic arteries connecting the north and south of the Dongqu District, while Boai Road is considered the major east-west traffic artery cutting across the Dongqu District, serving the immediate area around the property. Boai Road and Xingwen Road are connected by various minor roads, including Xingzheng Road, Changmingshuichangyi Road, and Bolan Road (where the property is located). In addition to being well served by the road network, there are numerous local public bus routes in close proximity to the property, including one which stops directly in front of Ocean Metro Mall. Ocean Metro Mall operates free shuttle bus services extending to other districts and towns, providing easy access for local residents in those respective areas.

- **Quality property strategically located in an emerging urban area**

  Ocean Metro Mall recently commenced operations in December 2014 and is positioned as a mid-to mid-upper tier modern and experiential lifestyle destination, providing an integrated shopping experience, which includes retail, F&B and entertainment. The spacious walkways and big atrium space for hosting events give the mall a more modern feel. The property has a high level of occupancy rate at 99.5% as at 30 June 2016, with well-known tenants such as Carrefour, Superior City Department Store, Suning, Top KTV, Win Fitness and Jinyi Cinema.

  The main trade area comprises a concentration of high quality mature residential communities such as Langrun Park, which was developed by Vanke, and Ocean City, which was developed by Sino-Ocean, as well as the highest density of high quality office buildings in Zhongshan, such as Dadongyu International Plaza, the Summit, and Lihe Plaza. The 88.5-acre Zimaling Park located in the primary trade area attracts visitors from the surrounding area and nearby districts on a daily basis.

  Ocean Metro Mall is also located next to the sprawling 110,000 sq m China (Zhongshan) Light Industry Expo Centre, which would stand to benefit Ocean Metro Mall whenever events are held there. In addition, the public service centre that recently opened at the Expo Centre draws significant residents and business people from throughout Zhongshan on working days.

  Between 2008 and 2015, the main trade area increased at a CAGR of 3.8%, close to twice the rate of resident population growth in Zhongshan. As of 2014, the main trade area accounted for 7.7% of the total resident population in Zhongshan. The expected increase in resident population in the main trade area is expected to be mainly driven by the increasing supply of residential communities and improvement in accessibility with the anticipated launch of the metro system and new bus routes, as well as the “Qijiang New City Master Planning” programme, which plans to develop impacted districts into a new commercial centre. The Dongqu District is among those that will be developed.
The retail sales of the main trade area accounts for approximately 16.0% of the city’s total retail sales in 2015 and is projected to increase at a CAGR of 10.1% between 2015 and 2018. The disposable income level of the primary trade area is expected to increase at a CAGR of 11.0% between 2015 and 2018, and the purchasing power of the residents is considered relatively high as compared with the overall city average.

- **Limited competition with high upside potential due to rental reversions**

  There are currently no major direct competitors to Ocean Metro Mall in the main trade area. Ocean Metro Mall is able to capitalise on its first-mover advantage and to establish itself as the dominant shopping mall in its trade area in the short to medium term. As Ocean Metro Mall is located in an emerging urban area, its rental level is relatively low in the overall context of the city. However, in expectation of the continued maturation of the trade area, rental levels are expected to trend towards market levels. It is noted that most of the non-anchor tenant leases contain a rental escalation clause that provides for an annual adjustment, typically between 7.0% and 10.0%. This is expected to be beneficial for the cash flow of the property in the medium to long term.

  **Source:** CBRE. (See “Appendix F – Independent Market Research Report” of this Prospectus for further details.)

(iii) **Dasin E-Colour**
The three key competitive strengths of Dasin E-Colour are:

- **Excellent accessibility**

Dasin E-Colour is located in the Shiqi District, on the eastern side of Longteng Road, approximately 150.0 metres from the intersection of Longteng Road and Fukang Road within the core urban area of Zhongshan. Kanghua Road is the main traffic artery connecting the east and west of the district, and extends into the Haigang District to the northwest of the property. Qiwan Road and Liantang Road are considered the major north-south traffic arteries cutting across the Shiqi District. Longjing Road (where the property is located), and Fukang Road are minor roads serving the immediate area around the property. In addition to being well served by the road network, the property is also well served by numerous local public bus routes, including one which stops directly in front of Dasin E-Colour.

- **Trendy community mall located opposite a 20,000 strong university**

Dasin E-Colour was acquired by the Sponsor at the end of 2013 and re-opened in 2015. The property was previously a furniture mall, which has been converted into a shopping mall after renovations and repositioning by the Sponsor. It is now a mid-end positioned community mall mainly targeting the nearby university students and staff, as well as residents nearby. The University of Electronic Science and Technology of China (Zhongshan Institute) is located approximately 30.0 metres away from Dasin E-Colour, with an estimated 20,000 students and staff in total, providing a ready catchment for the mall. Dasin E-Colour has allocated considerable retail space to F&B, lifestyle stores, and entertainment facilities. Big events such as street dance and basketball competitions, as well as seasonal events like Valentine’s Day programme line-ups are also hosted at Dasin E-Colour during school holidays to attract footfall to counteract the seasonality of the area.

- **High potential for rental reversions**

As Dasin E-Colour has just recently opened and is in the midst of establishing itself in the local market, its rental level is relatively low compared to its competitors. It is noted that the weighted average lease expiry (“WALE”) by NLA for Dasin E-Colour is the shortest among the Properties, which provides an opportunity for repositioning and rental increases to market levels. Most of the non-anchor tenant leases contain a rental escalation clause that provides for an annual adjustment, typically between 5.0% and 8.0%. The disposable income per capita level in the main trade area is 1.3 times higher than the Zhongshan average and expected to grow at a CAGR of 8.2% between 2015 and 2018. In addition, the university students are expected to be more willing to spend than their mature counterparts, and the Sponsor expects Dasin E-Colour to benefit from this trend.

Source: CBRE. (See “Appendix F – Independent Market Research Report” of this Prospectus for further details.)
The three key competitive strengths of Shiqi Metro Mall are:

- **Excellent accessibility**

Shiqi Metro Mall is centrally located in the Shiqi District, at the intersection of Dasin South Road and Liantang Road, within the core urban area of Zhongshan. Kanghua Road is the main traffic artery connecting the east and west of the district, and extends into the Haigang District to the northwest of the property. Qiwan Road and Liantang Road are considered the major north-south traffic arteries cutting across the district. Dasin South Road, Liantang Road and Liantang Road serve the immediate area around the property. In addition to being well served by the road network, Shiqi Metro Mall is also well served by numerous local public bus routes, including one which stops directly in front of Shiqi Metro Mall. Shiqi Metro Mall also operates free shuttle bus services to surrounding communities as well as to Ocean Metro Mall.

**Source:** CBRE. (See “Appendix F – Independent Market Research Report” of this Prospectus for further details.)
• **Well-established mall in a prime location**

According to the Sponsor, Shiqi Metro Mall was the first shopping mall to be developed in the Shiqi District and it has over 10 years of operating experience in Zhongshan. It is a mid-end positioned regional mall with a broad ranging trade mix primarily targeting mid-income households in the Zhongshan core urban area. Its anchor tenants include RT-Mart, Superior City Department Store and Jane Eyre Furniture Mall. Shiqi Metro Mall draws a higher footfall than each of the Properties, attributable to its mature status in the market and its location in the city’s core urban area. It has built a strong brand awareness amongst local residents in the core urban area of the city. As the supply of prime retail experience in other adjacent districts is quite limited, consumers will still need to travel to the Shiqi District, where a large proportion of good quality retail malls in Zhongshan are concentrated, for a more complete shopping experience.

• **Solid growth in rental income levels**

Shiqi Metro Mall’s ability to attract strong footfall is evidenced by its tenants’ willingness to renew their lease contracts at higher rates. For example, one of its major tenants was willing to renew its lease at more than two times the rate it was paying in its previous lease cycle. Shiqi Metro Mall has achieved 100.0% occupancy in the past nine years from 2006 to 2014, and an occupancy rate of 98.8% as at 30 June 2016.

![Figure: Historical Occupancy of Shiqi Metro Mall](image)

**Source:** The Sponsor.

A recent renovation completed in 2014 saw a new extension being built that added 674.3 sq m of GFA to the mall. With the new extension, the Sponsor was able to bring in reputable tenants such as Starbucks, thereby increasing the rental income of Shiqi Metro Mall.
4. **Platform for robust growth**

Dasin Retail Trust provides investors with multiple avenues for growth:

**a. Strong growth from both organic and inorganic drivers**

In addition to the expected inorganic growth from the proposed acquisition of Shiqi Metro Mall, Dasin Retail Trust is also expected to benefit from strong growth due to the expiry of rent-free periods, rental step-ups as well as rental reversions. With the rent-free period of Carrefour, which occupies 26.5% of the NLA of Ocean Metro Mall (as at 30 June 2016), ending on 30 June 2016 and the expected growth in the turnover rent component, the gross revenue for Ocean Metro Mall is expected to increase by 21.0% in FY2018. In addition, most of the non-anchor tenant leases contain a rental escalation clause of 3.0% to 10.0% that provides for an annual increase in rental. There is also an opportunity for rental uplifts from the renewal of expiring leases: 14.7%, 16.4% and 12.4% of leases by Gross Rental Income in June 2016 in the Initial Portfolio will expire in the second half of FY2016, FY2017 and FY2018 respectively.
b. Ongoing active asset management

The Trustee-Manager will work with the Property Manager (as defined herein) and Commercial Manager (as defined herein) in adopting a strategy to actively manage the Properties and maintain consistently high levels of service performance through the provision of premium quality property and commercial management services. Through such active asset management, the Trustee-Manager seeks to actively refresh and reposition the tenancy mix, organise promotional events as well as develop and maintain strong relationships with tenants, so as to promote high tenant retention levels.

In particular, as Dasin E-Colour was recently first acquired as a furniture mall and then refurbished and converted into a retail mall, the Trustee-Manager continually seeks to reposition Dasin E-Colour’s tenant and zoning mix to attract new quality tenants to improve the mall profile and achieve high rental income. More F&B and entertainment tenants have been introduced to fit the target customers of Dasin E-Colour, who are the nearby university students and staff, as well as nearby residents.

c. Asset enhancement initiatives

The Trustee-Manager believes that there are substantial opportunities to improve the Properties and that it will be able to achieve increases in rental income and better efficiency via proactive retrofitting and refurbishment works, including upgrading of existing facilities and adding of new spaces to be leased out.

- Xiaolan Metro Mall

The Xiaolan Master Lessee (as defined herein) will take over the retail space that Superior City Department Store currently occupies in Xiaolan Metro Mall upon the expiry of Zhongshan Youyuecheng Store Management Co., Ltd’s (operator of Superior City Department Store) lease on 25 September 2017. Pursuant to the
Xiaolan Master Lease Agreement, the Xiaolan Master Lessee will be responsible for any asset enhancement required for their operations, as well as the accompanying capital expenditure. The Trustee-Manager intends to work closely with the Xiaolan Master Lessee to oversee and facilitate any asset enhancement initiatives proposed by the Xiaolan Master Lessee or its sub-tenants.

- **Ocean Metro Mall**

The Trustee-Manager has plans to enhance Zhongshan’s first urban farm located at the top floor of Ocean Metro Mall, Happy Farm, and turn it into an attraction. Currently, Happy Farm showcases vegetables and small animals, and offers customers the opportunity to cultivate their own vegetables in an urban setting. A greater variety of programmes and exhibitions will be brought in to enhance customers’ experience and attract footfall to the shopping mall.

**d. Large pipeline of ROFR properties**

Dasin Retail Trust will benefit in terms of acquisition growth in the PRD region where the Sponsor has an active real estate presence. Due to the Sponsor’s good reputation and strong track record in developing and operating retail properties, the Sponsor is able to secure prime land, especially in Zhongshan city, which it will develop and add to its robust development pipeline. Each of the Zhang Vendors and Mr. Zhang Zhencheng has granted the Sponsor ROFR to the Trustee-Manager for 14 completed and uncompleted properties. The following chart illustrates the map of Dasin Retail Trust’s acquisition pipeline.
The following graph illustrates the potential for growth of Dasin Retail Trust’s portfolio based on the ROFR Properties.

Figure: The aggregate GFA of the Initial Portfolio and Shiqi Metro Mall will expand by approximately 2.6 times if the Doumen Purchase Option is exercised and the ROFR Properties (excluding the six uncompleted ROFR Properties the GFAs of which have not been determined) are acquired.

(1) Does not include 6 ROFR Properties which are under construction and where GFA has yet to be determined

5. **Professional management team with an average of over 15 years of relevant experience**

The management team of the Trustee-Manager comprises experienced professionals with extensive experience in investment, management, finance and accounting. The Trustee-Manager believes that Unitholders will benefit from the experience of its key personnel and their familiarity with the Chinese market and with property trusts in particular.

The CEO of the Trustee-Manager, Mr. Yang Bin, has more than 15 years of investment, mergers and acquisitions and capital operation experience, most recently as an equity investor for companies in the real estate and internet business. Prior to this, Mr. Yang helped to establish the Fosun Energy Group and was subsequently the Group’s Deputy General Manager and Chief Financial Officer between April 2013 and May 2014, where he was responsible for leading investment teams dealing in industries ranging from infrastructure, oil and gas, renewable energy, chemicals and finance. As a key personnel of the Fosun Energy Group, Mr. Yang oversaw global mergers and acquisitions and investments, including the privatisation of a listed company, the completion of equity investments in a number of PRC state-owned companies and also a series of acquisition of projects inside and outside of PRC.
The CFO of the Trustee-Manager, Mr. Ng Mun Fai, has more than 17 years of experience in accounting and financial-related work, including group accounting and reporting, accounting system implementation, compliance, strategic planning and financial statements preparation. Prior to joining the Trustee-Manager, Mr. Ng was a Senior Audit Manager with KPMG LLP, Singapore, for more than eight years, where he provided audit services to public listed companies, subsidiaries, foreign multinationals, government-linked and private companies in real estate, manufacturing, consumer and industrial market industries. During this period, he was also responsible for the audit of a number of commercial, industrial and hospitality real estate investment and business trusts. During his employment, Mr. Ng was appointed as head of the “Real Estate, Consumer and Tourism” business unit in 2011 where he served till 2013.

The General Manager of Investment Division, Mr. Lu Zhiqi, has more than 10 years of experience in real estate investments in PRC. Prior to joining the Trustee-Manager, Mr. Lu was the General Manager of Investment & Planning Department at Kaisa Commercial Group Co., Ltd. from July 2014 till October 2015, where he was in charge of investment and capital sourcing for the group commercial unit, as well as product planning for the commercial assets. Mr. Lu had also performed investment functions in Thaihot Group Co., Ltd., CapitaLand China Holding Ltd and Evergrande Real Estate Group Limited, where he gained experience in the sourcing and financing of investments as well as asset management.

In addition, the Trustee-Manager will be assisted by a dedicated management team under the Commercial Manager (as defined herein), who possesses a deep understanding of the Properties and its trade areas and has the relevant experience in managing the commercial aspects of the Properties. The General Manager of the Commercial Manager, Ms. Pan Fan, has more than 10 years of marketing and leasing experience for the Sponsor Group’s shopping malls. Ms. Pan was responsible for the marketing and leasing of space for Shiqi Metro Mall since it first commenced operations in 2004. Since July 2013 till present, she has held the position of Regional General Manager of Dasin Merchant Investment, which is wholly-owned by the Zhang Vendors through Dasin Management and Investment, where she has overall responsibility for the business operations of many shopping malls, including Shiqi Metro Mall, Ocean Metro Mall, Xiaolan Metro Mall and Dasin E-Colour. Her responsibilities for the business operations include organising promotions and/or events at the various shopping malls to attract footfall.

(See “The Trustee-Manager” of this Prospectus for further details on the Trustee-Manager.)

KEY STRATEGIES

The Trustee-Manager plans to achieve its key objectives through the following key strategies:

- **Active asset management and asset enhancement strategy** – The Trustee-Manager will pro-actively manage Dasin Retail Trust's property portfolio and strive to achieve growth in revenue and Net Property Income (as defined herein) and maintain optimal occupancy levels. The Trustee-Manager will also look to drive organic growth and build long-lasting relationships with the tenants of Dasin Retail Trust's properties. The Trustee-Manager will focus on regular engagement with tenants, effective marketing of vacant units and achieving early renewal commitments. It will also seek property enhancement opportunities to support and enhance organic growth.

- **Acquisition growth strategy** – The Trustee-Manager will achieve portfolio growth through the acquisition of quality income-producing real estate properties in Greater China from the Zhang Vendors and Mr. Zhang Zhencheng under the Sponsor ROFR and other third parties
that provide attractive cash flows and yields, as well as land and uncompleted developments which fit within Dasin Retail Trust’s investment strategy, to enhance returns to Unitholders and improve potential opportunities for future income and capital growth.

• **Divestment strategy** – Where suitable market opportunities arise and subject to applicable laws and regulations, the Trustee-Manager may divest properties of Dasin Retail Trust or part thereof to realise their optimal market potential and value.

• **Capital and risk management strategy** – The Trustee-Manager will endeavour to employ an appropriate mix of debt and equity in financing acquisitions and asset enhancements, and utilise appropriate financing and hedging policies where appropriate to manage interest rate volatility and foreign exchange exposure for Dasin Retail Trust while maintaining a strong and robust balance sheet.

• **Disciplined development strategy** – The Trustee-Manager will prudently undertake development activity when appropriate opportunities arise while mitigating construction and leasing risks.

(See “Strategy” of this Prospectus for further details.)


## CERTAIN INFORMATION ON THE PROPERTIES AND SHIQI METRO MALL

The table below sets out certain information on the Properties as well as Shiqi Metro Mall as at 30 June 2016.

<table>
<thead>
<tr>
<th>Property</th>
<th>Xiaolan Metro Mall</th>
<th>Ocean Metro Mall</th>
<th>Dasin E-Colour</th>
<th>Shiqi Metro Mall</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address</strong></td>
<td>No. 18 Shengping Middle Road, Xiaolan Town, Zhongshan, Guangdong Province, PRC</td>
<td>No. 28 Boai Six Road, Dongqu District, Zhongshan, Guangdong Province, PRC</td>
<td>South Tower, No. 4 Qitou New Village Longfeng Road, Shiqi District, Zhongshan, Guangdong Province, PRC</td>
<td>No. 2, South Dasin Road, Shiqi District, Zhongshan, Guangdong Province, PRC</td>
</tr>
<tr>
<td><strong>Date of Commencement of Operations</strong></td>
<td>September 2005</td>
<td>December 2014</td>
<td>May 2015</td>
<td>May 2004</td>
</tr>
<tr>
<td><strong>Expiry Date of Land Use Rights</strong></td>
<td>1 April 2043</td>
<td>21 February 2046</td>
<td>28 July 2045</td>
<td>27 July 2041(1)</td>
</tr>
<tr>
<td><strong>Number of Tenancies as at 30 June 2016</strong></td>
<td>136</td>
<td>132</td>
<td>45</td>
<td>163</td>
</tr>
<tr>
<td><strong>Occupancy Rate as at 30 June 2016 (%)</strong></td>
<td>100.0</td>
<td>99.5</td>
<td>92.8</td>
<td>98.8</td>
</tr>
<tr>
<td><strong>GFA (sq m)</strong></td>
<td>108,690.3 (including car park space of 20,455.2)</td>
<td>180,338.0 (including car park space of 94,343.1)</td>
<td>25,856.6</td>
<td>119,681.9 (including car park space of 18,096.8)</td>
</tr>
<tr>
<td><strong>NLA (sq m)</strong></td>
<td>77,746.6</td>
<td>66,895.1</td>
<td>12,637.9</td>
<td>86,351.8</td>
</tr>
<tr>
<td><strong>Car Park Lots</strong></td>
<td>626</td>
<td>1,991</td>
<td>–</td>
<td>545</td>
</tr>
<tr>
<td><strong>Gross Rental Income(4) for the month of June 2016 (RMB million)</strong></td>
<td>7.78</td>
<td>3.59</td>
<td>0.89</td>
<td>8.52</td>
</tr>
<tr>
<td><strong>Valuation as at 30 June 2016 (with the Master Lease Agreements) (RMB million)</strong></td>
<td>Savills: 2,411 Colliers: 2,272</td>
<td>Savills: 2,013 Colliers: 1,780</td>
<td>Savills: 308 Colliers: 342</td>
<td>Savills: 2,803.5 Colliers: 2,899</td>
</tr>
<tr>
<td><strong>Valuation as at 30 June 2016 (without the Master Lease Agreements(7)) (RMB million)</strong></td>
<td>Savills: 2,380 Colliers: 2,307</td>
<td>–</td>
<td>Savills: 308 Colliers: 349</td>
<td>–</td>
</tr>
<tr>
<td><strong>Implied Acquisition Price (RMB million)</strong></td>
<td>1,580(5)</td>
<td>1,280(5)</td>
<td>219(5)</td>
<td>1,224(6)</td>
</tr>
<tr>
<td>Property</td>
<td>Xiaolan Metro Mall</td>
<td>Ocean Metro Mall</td>
<td>Dasin E-Colour</td>
<td>Shiqi Metro Mall</td>
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<td>-------------------------------</td>
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<tr>
<td><strong>Net Property Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution for Forecast Year 2017 and Projection Year 2018 (RMB million)</td>
<td>91.9 for Forecast Year 2017</td>
<td>47.0 for Forecast Year 2017</td>
<td>11.7 for Forecast Year 2017</td>
<td>49.6 for Forecast Year 2017</td>
</tr>
<tr>
<td></td>
<td>106.2 for Projection Year 2018</td>
<td>56.9 for Projection Year 2018</td>
<td>13.6 for Projection Year 2018</td>
<td>105.3 for Projection Year 2018</td>
</tr>
<tr>
<td><strong>WALE by committed NLA as at 30 June 2016 (years)</strong></td>
<td>6.0</td>
<td>11.9</td>
<td>5.0</td>
<td>5.5</td>
</tr>
<tr>
<td><strong>WALE by Gross Rental Income for the month of June 2016 (years)</strong></td>
<td>3.9</td>
<td>6.9</td>
<td>3.7</td>
<td>3.8</td>
</tr>
</tbody>
</table>

**Notes:**

1. The expiry date of the land use rights of Shiqi Metro Mall is 27 July 2041 (for commercial use) and 27 July 2071 (for residential use).
2. Based on the Building Ownership Certificates. (See “Certain Defined Terms and Convention” of this Prospectus for details regarding the computation of GFA.)
3. The residential condominium located next to Dasin E-Colour has approximately 654 public parking lots available over two floors, which shoppers at Dasin E-Colour can use. The residential condominium was developed by the Sponsor and is directly connected to Dasin E-Colour via a link bridge.
4. Includes Value-Added Tax.
5. The implied acquisition price of each of Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour is based on the average of the two independent valuations of Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour respectively as at 30 June 2016, and determined on a willing-seller and willing-buyer basis taking into consideration the Offering Price, which includes the Underwriting, Selling and Management Commission (as defined herein), as well as other estimated offering expenses.
6. The implied acquisition price of Shiqi Metro Mall is based on the average of the two independent valuations of Shiqi Metro Mall as at 30 June 2016, and determined on a willing-seller and willing-buyer basis. Based on the implied acquisition price of Shiqi Metro Mall of RMB 1,224.0 million, the purchase consideration for Shiqi Holdco is approximately RMB 1,224.0 million.
7. The valuation without the Master Lease Agreement(s) is derived based on the assumption that the space leased under the Master Lease Agreement(s) is leased to third parties at prevailing market rental rates.
CERTAIN INFORMATION ON THE DOUMEN METRO MALL DEVELOPMENT PROJECT

The table below sets out certain information on the Doumen Metro Mall Development Project as at 30 June 2016.

<table>
<thead>
<tr>
<th>Property</th>
<th>The Doumen Metro Mall Development Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Zhuhai City, Doumen District, Jinqing Town, Zhongxing Road, PRC</td>
</tr>
<tr>
<td>Expected Date of Commencement of Operations</td>
<td>Second quarter of 2018</td>
</tr>
<tr>
<td>Expiry Date of Land Use Rights</td>
<td>12 October 2052</td>
</tr>
<tr>
<td>Estimated GFA (sq m)</td>
<td>167,794.1</td>
</tr>
<tr>
<td>Estimated NLA (sq m)</td>
<td>106,371.5</td>
</tr>
<tr>
<td>Number of Floors</td>
<td>Eight floors (including two basement floors)</td>
</tr>
<tr>
<td>Estimated Car Park Lots (1)</td>
<td>1,222</td>
</tr>
</tbody>
</table>

Note:

(1) The relevant GFA, NLA and information on the car park lots are based on architectural plans prepared by the relevant architects. These areas may differ from the actual GFA, NLA and car park lots of the Doumen Metro Mall Development Project when completed. The GFA will be finalised when the Building Ownership Certificate of the Doumen Metro Mall Development Project is issued.

DISTRIBUTION WAIVER FROM MAJOR UNITHOLDERS

Rationale for the Distribution Waiver

The Sponsor’s aim, when selecting assets for inclusion in the Initial Portfolio of Dasin Retail Trust, is to provide Unitholders with attractive returns from regular distributions and long-term income growth. To this end, the Initial Portfolio consists of both a mature asset, being Xiaolan Metro Mall, and pre-stabilised assets that have recently commenced operations and are still maturing in terms of shopper recognition, tenant performance and passing rents, being Ocean Metro Mall (which commenced operations in December 2014) and Dasin E-Colour (which commenced operations in May 2015), both of which have the potential to deliver consistent income growth.

Of the Initial Portfolio, 51.0% of the NLA is attributable to pre-stabilised retail properties that have recently commenced operations, namely, Ocean Metro Mall and Dasin E-Colour. As these Properties had only recently commenced operations, their rental income will not have reached a level in line with those of more mature or stabilised properties. As an expression of confidence in the long-term income growth of Dasin Retail Trust, each of Aqua Wealth and Bounty Way (the “Major Unitholders”) will waive a portion of their entitlement to distribution from Dasin Retail Trust for the benefit of other Unitholders to ensure that investors in Dasin Retail Trust will receive a distribution yield more commensurate with market-level rents immediately when they invest in Dasin Retail Trust, without having to wait for Ocean Metro Mall and Dasin E-Colour to stabilise. In addition, as the Major Unitholders will collectively continue to hold more than 50.0% of Units as at the Listing Date and be subject to a lock-up arrangement of their Units during the Distribution Waiver Period (as more particularly described below), there is a strong alignment of interest with other Unitholders on a continuing basis.
In structuring the income support, including the level of the Distribution Waiver by the Major Unitholders and the length of time for which the income support is required, the Sponsor took into consideration the following factors:

1. **Leasing strategy leading to longer rental reversion terms**

   For newer and/or pre-stabilised shopping malls, the Sponsor Group’s leasing strategy is to lease a significant amount of retail space to anchor tenants for longer lease terms. These anchor leases are generally more favourable to such anchor tenants, with their rental rates typically being pegged to the anchor tenant’s sales turnover, which in turn is largely dependent on the maturity of the surrounding catchment area. This would also mean that rental reversions are rarely expected for such anchor leases in the near term as the lease terms for such anchor tenants typically run between 15 to 20 years.

   The Sponsor Group’s leasing strategy has proven to be successful in helping to attract footfall to the Sponsor Group’s newer and/or pre-stabilised shopping malls, thereby increasing business activities for its tenants. The implementation of this strategy is evident in Ocean Metro Mall, which, as at 30 June 2016, has a WALE (by committed NLA as at 30 June 2016) of 11.9 years and an occupancy rate of 99.5%, with its top six tenants by NLA accounting for 74.8% of its NLA.

2. **Stage and state of development of the surrounding catchment area**

   Depending on the location of the mall, the stage and state of development of the surrounding catchment area will affect the level of spending at the mall and hence the level of sales turnover of the tenants. As cities or district clusters grow and mature with the concomitant development of physical and social infrastructure, it is expected that the malls within the Initial Portfolio will directly benefit from that growth in terms of increased business activities and hence stronger rental income. The Independent Valuers are of the opinion that the emerging Dongqu District, in which Ocean Metro Mall is located in, is likely to take seven to 10 years before it reaches a state of maturity. According to the Independent Market Research Consultant, the Dongqu District is currently undergoing the following developments:

   a. under the “Qijiang New City Master Planning” programme released by the local government in August 2014, the Dongqu District as well as its adjacent districts can be expected to develop into a new commercial centre and the number of high-rise buildings is expected to increase; and

   b. the Zhongshan government had set up a public service centre in the China (Zhongshan) Light Industry Expo Centre located next to Ocean Metro Mall in January 2015, which facilitates government services in a number of areas, including company registration, investment approval and social issues. As a result, the public service centre is expected to attract a significant number of residents and business professionals from various parts of Zhongshan on business days in PRC.

   As the Dongqu District develops over the next seven to 10 years, Ocean Metro Mall stands to benefit from increased spending by shoppers which may translate into higher sales among its anchor tenants and correspondingly result in higher rentals. In addition, with the increase in demand for quality mall spaces, the Trustee-Manager also expects that Ocean Metro Mall may be able to renew its leases at higher rental rates, as leases with terms of up to three years expire.
3. Stabilisation of Dasin E-Colour following its recent conversion

Located in the mature Shiqi District, Dasin E-Colour was acquired by the Sponsor Group in end 2013 and was refurbished and converted from a furniture mall into a shopping mall. As it only recently commenced operations in May 2015, the rental income for Dasin E-Colour is expected to reach a level of maturity over three to five years according to the Independent Valuers.

Guided by the above considerations, and to ensure that investors in Dasin Retail Trust receive a distribution yield that is commensurate with market-level rents while Ocean Metro Mall and Dasin E-Colour stabilises, the Major Unitholders have agreed to provide the Distribution Waiver for a period of approximately five years. In line with the expected growth of the Initial Portfolio’s gross revenue, the Major Unitholders will reduce incrementally the portion of distributions waived each year until the fifth year.

Based on the Sponsor’s assessment, even though the catchment area of Ocean Metro Mall, the Dongqu District, will take approximately seven to 10 years to build up, the expected growth trajectory of Ocean Metro Mall is likely to be similar to that of Xiaolan Metro Mall in Xiaolan Town and Shiqi Metro Mall in the Shiqi District 10 years ago when those malls were also one of the first shopping malls to be built in their respective Zhongshan districts. Those districts were also emerging areas then. In managing Ocean Metro Mall, the Trustee-Manager will adopt a similar management strategy and philosophy as the Sponsor had adopted previously, in that it will work closely with the tenants of Ocean Metro Mall to enable these tenants’ businesses to thrive, while charging rental that would still allow an acceptable return on the property. As part of the process, the Trustee-Manager will typically analyse the maturity of the catchment area before deciding on the level of rent rates to charge its various tenants.

Even though the Dongqu District will take approximately seven to 10 years to mature, the Sponsor expects that with the growth of the catchment area over the next seven to 10 years under the “Qijiang New City Master Planning” programme where new commercial centres and high-rise buildings are expected to be built, and with its sound management strategy and philosophy in overseeing the operations of Ocean Metro Mall, the income yield of Ocean Metro Mall will gradually stabilise over the years to meet investors’ expectations. As such, the Sponsor believes that as the potential for increased income from Ocean Metro Mall is evident, it should be included in the Initial Portfolio.

The Distribution Waiver Undertakings from Major Unitholders

Each of Aqua Wealth and Bounty Way has on 13 January 2017 provided an undertaking to the Trustee-Manager to waive a portion of their entitlement to distributions from Dasin Retail Trust over the Distribution Waiver Period (the “Distribution Waiver Undertakings”). The Distribution Waiver Undertakings reflect the Major Unitholders’ confidence in Dasin Retail Trust and benefit Unitholders by augmenting the level of cash distribution that can be paid to Unitholders.

For the avoidance of doubt, Bounty Way is not a Controlling Unitholder of Dasin Retail Trust as it will hold less than 15.0% of the Units on the Listing Date. (See “Ownership of the Units – Principal Unitholders of Dasin Retail Trust and their Unitholdings” of this Prospectus for further details.)
As the rental levels for the Initial Portfolio is expected to increase to a level that is comparable to the market rate over time, the percentages and number of Units held by Aqua Wealth and Bounty Way which will not be entitled to distributions will decrease over time, as set out below:

<table>
<thead>
<tr>
<th>As a % of Total Outstanding Units as at the Listing Date</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Units held by Aqua Wealth and Bounty Way, as at the Listing Date, which will not be entitled to Distributions (Assuming Over-Allotment Option is not exercised)</td>
<td>55.0%</td>
<td>48.0%</td>
<td>45.0%</td>
<td>35.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td>% of Units held by Aqua Wealth and Bounty Way, as at the Listing Date, which will not be entitled to Distributions (Assuming Over-Allotment Option is exercised)</td>
<td>82.5%</td>
<td>72.0%</td>
<td>67.5%</td>
<td>52.5%</td>
<td>22.5%</td>
</tr>
<tr>
<td>Number of Units which will not be entitled to Distributions</td>
<td>302,283,481</td>
<td>263,811,038</td>
<td>247,322,848</td>
<td>192,362,214</td>
<td>82,440,948</td>
</tr>
</tbody>
</table>

The DPU and distribution yield for the Initial Portfolio as well as for the Initial Portfolio and Shiqi Metro Mall, both with and without the Distribution Waiver, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>DPU(1) ($S)</th>
<th>Distribution yield(1) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Forecast Year 2017</td>
<td>Projection Year 2018</td>
</tr>
<tr>
<td>Initial Portfolio and Shiqi Metro Mall (with the Distribution Waiver)</td>
<td>0.0680(2)</td>
<td>0.0720(2)</td>
</tr>
<tr>
<td>Initial Portfolio and Shiqi Metro Mall (without the Distribution Waiver)</td>
<td>0.0307(2)</td>
<td>0.0378(2)</td>
</tr>
<tr>
<td>Initial Portfolio (with the Distribution Waiver)</td>
<td>0.0581</td>
<td>0.0610</td>
</tr>
<tr>
<td>Initial Portfolio (without the Distribution Waiver)</td>
<td>0.0262</td>
<td>0.0319</td>
</tr>
</tbody>
</table>

Notes:
(1) The DPU and distribution yield are based on the Offering Price.
(2) In the event the acquisition of Shiqi Metro Mall is not completed by 30 June 2017 and in the absence of the compensation under the Shiqi Framework Agreement, the foregoing DPU and distribution yield may not materialise.

Pursuant to the Distribution Waiver Undertakings, each of Aqua Wealth and Bounty Way has also agreed to a lock-up arrangement pursuant to which each of Aqua Wealth and Bounty Way has irrevocably and unconditionally undertaken to remain as the holder of, and will not create encumbrances over, the Units which are the subject of the Distribution Waiver (the “Lock-up Distribution Units”) for the Distribution Waiver Period (the “Distribution Waiver Lock-up”).
The restrictions in the Distribution Waiver Lock-up provided by Bounty Way do not apply to the transfer of its Lock-up Distribution Units to (i) the Family Trustee (in its capacity as trustee of the Zhang Family Trust) and/or one of the Family Trustee’s wholly-owned subsidiaries, and/or (ii) one or more of the wholly-owned subsidiaries of Bounty Way, at any time from the date falling one year after the Listing Date, provided that such transferee executes and delivers an undertaking to the Trustee-Manager that it will comply with the Distribution Waiver Undertaking till the end of the Distribution Waiver Period.

(See “The Offering – Lock-ups”, “The Offering – Waiver of Entitlement to Distributions” and “Distributions – Distribution Waiver from Major Unitholders” of this Prospectus for further details on the Distribution Waiver and lock-up arrangements.)

OVERVIEW OF THE ACQUISITION OF THE INITIAL PORTFOLIO

Overview of the Properties and Rental Management Companies prior to the acquisition by Dasin Retail Trust

100.0% of the interests in each of Xiaolan Metro Mall and Dasin E-Colour were initially held by the Zhang Vendors through Dasin Management and Investment. Dasin Management and Investment is wholly-owned by the Zhang Vendors, with Mr. Zhang Zhongming, Mr. Zhang Kaicheng and Mr. Zhang Jiucheng holding 25.0%, 37.5% and 37.5% of its interests respectively. 100.0% of the interests in Ocean Metro Mall was initially held by Zhongshan Yuanxin Commercial Property Management Co., Ltd. (中山市远信商业地产管理有限公司) (“Zhongshan Yuanxin”), which has 60.0% of its interests held by Zhongshan Dasin Property Investment Co., Ltd. (中山市大信商业地产投资有限公司) (“Dasin Property Investment”) and the remaining 40.0% of its interests held by Beijing Yin Gang Property Development Co., Ltd. (北京银港房地产开发有限公司) (“Beijing Yin Gang”), an indirect wholly-owned subsidiary of Sino-Ocean. 70.0% of the interests in Dasin Property Investment are held by the Sponsor (which is in turn wholly-owned by the Zhang Vendors), with the remaining 30.0% held by an independent third party unrelated to the Zhang Family or the Sponsor.

The Zhang Vendors undertook a series of re-organisation steps below for the Listing:

(1) Dasin Management and Investment incorporated Zhongshan Xinrui Commercial Management Co., Ltd. (中山市信瑞商业地产管理有限公司) (“Xinrui Commercial”) to hold 100.0% of the interests in Xiaolan Metro Mall; and

(2) Dasin Management and Investment incorporated Zhongshan Xinteng Commercial Management Co., Ltd. (中山市信腾商业地产管理有限公司) (“Xinteng Commercial”) to hold 100.0% of the interests in Dasin E-Colour.

Notes:

(1) According to JunZeJun Law Offices, the legal adviser to the Trustee-Manager and the Sponsor as to PRC law (“JunZeJun Law Offices”) and King & Wood Mallesons, the legal adviser to the Sole Financial Adviser, Global Coordinator and Issue Manager and the Joint Bookrunners and Underwriters as to PRC law (“King & Wood Mallesons”), Xinrui Commercial was established by Dasin Management and Investment through capital contribution in the manner of non-cash assets, i.e. 100.0% of the interests in Xiaolan Metro Mall was injected into Xinrui Commercial. The newly established company, Xinrui Commercial, is independent from Dasin Management and Investment and will not be jointly liable for the liabilities of Dasin Management and Investment.

(2) According to JunZeJun Law Offices and King & Wood Mallesons, Xinteng Commercial was established by Dasin Management and Investment through capital contribution in the manner of non-cash assets, i.e. 100.0% of the interests in Dasin E-Colour was injected into Xinteng Commercial. The newly established company, Xinteng Commercial, is independent from Dasin Management and Investment and will not be jointly liable for the liabilities of Dasin Management and Investment.
In addition, as part of the Sponsor’s pre-listing organisational re-organisation process and to streamline its operations, two rental management companies, Zhongshan Xiaolan Dasin Xinduhui Commercial Management Co., Ltd. ("Xiaolan Xinduhui") and Zhongshan Yicai Dasin Xinduhui Commercial Management Co., Ltd. ("Yicai Xinduhui") had been initially incorporated by the Sponsor Group (through Dasin Merchant Investment) with the primary purpose of administering and monitoring the collection of rental and deposits, and for arrears management on behalf of the Sponsor Group, as well as to facilitate rental negotiations with the respective tenants of Xiaolan Metro Mall and Dasin E-Colour respectively (the "Rental Management Companies"). As such, each of these Rental Management Companies had entered into lease agreements with the respective retail tenants of Xiaolan Metro Mall and Dasin E-Colour whereby the rental in respect of these Properties is collected by the respective Rental Management Companies and in return each of these Rental Management Companies entered into master leases with the then property holding company of Xiaolan Metro Mall and Dasin E-Colour respectively, Dasin Management and Investment, where a proportion of the rent collected will be paid to Dasin Management and Investment and the remainder will be retained by the Rental Management Companies (the "Rental Management Arrangement").

So as not to affect the existing leases between the tenants and the respective Rental Management Companies, each of the Rental Management Companies has been injected into Dasin Retail Trust in connection with the Listing. This will allow Dasin Retail Trust to have full access to the total rental income collected in respect of Xiaolan Metro Mall and Dasin E-Colour.

As Zhongshan Yuanxin, the PRC property holding company of Ocean Metro Mall, is the entity that had entered into the lease agreements with the various retail tenants of Ocean Metro Mall, unlike Xiaolan Metro Mall and Dasin E-Colour, Ocean Metro Mall does not have a rental management company as the rental management functions are administered directly by Zhongshan Yuanxin.

(See “Business and Properties – Other General Information on the Properties – Lease Arrangements and Lease Management” of this Prospectus for further information on the lease arrangement in relation to Xiaolan Metro Mall, Dasin E-Colour and Ocean Metro Mall.)

In addition, as Shiqi Metro Mall has a similar lease arrangement, it is stipulated under the Shiqi Framework Agreement that Shiqi Metro Mall’s Rental Management Company will also be injected into Dasin Retail Trust at the time of acquisition of Shiqi Metro Mall by Dasin Retail Trust.

**Acquisition of the Initial Portfolio and Rental Management Companies**

Singapore Holdco, a company incorporated in Singapore on 14 August 2015 by Mr. Zhang Zhencheng, had on 18 August 2015 incorporated five companies in Singapore, namely, Lan Xin Investments Pte. Ltd., Yi Xin Investments Pte. Ltd., Yuan Xin Investments Pte. Ltd., Lan Xin Management Pte. Ltd. and Yi Xin Management Pte. Ltd. (together, the “Singapore Holding Companies”) to respectively acquire all the equity interests in Xinrui Commercial (which directly holds Xiaolan Metro Mall), Xinteng Commercial (which directly holds Dasin E-Colour), Zhongshan Yuanxin (which directly holds Ocean Metro Mall) (together, the “PRC Property Companies”), Xiaolan Xinduhui (being the Rental Management Company of Xiaolan Metro Mall) and Yicai Xinduhui (being the Rental Management Company of Dasin E-Colour), through the entry into of the following sale and purchase agreements:

(i) on 8 October 2015, Yi Xin Investments Pte. Ltd. and Dasin Management and Investment entered into a sale and purchase agreement pursuant to which Dasin Management and Investment agreed to sell and Yi Xin Investments Pte. Ltd. agreed to acquire on a willing-buyer and willing-seller basis 100.0% of the total equity interest in Xinteng Commercial (which holds 100.0% of the interests in Dasin E-Colour), at a purchase consideration equivalent to the amount of the total registered capital of Xinteng Commercial;
(ii) on 31 October 2015, Lan Xin Investments Pte. Ltd. and Dasin Management and Investment entered into a sale and purchase agreement pursuant to which Dasin Management and Investment agreed to sell and Lan Xin Investments Pte. Ltd. agreed to acquire on a willing-buyer and willing-seller basis 100.0% of the total equity interest in Xinru Commercial (which holds 100.0% of the interests in Xiaolan Metro Mall), at a purchase consideration equivalent to the amount of the total registered capital of Xinru Commercial;

(iii) on 18 October 2015, Yuan Xin Investments Pte. Ltd. entered into a sale and purchase agreement with Dasin Property Investment and Beijing Yin Gang, pursuant to which Dasin Property Investment and Beijing Yin Gang respectively agreed to sell and Yuan Xin Investments Pte. Ltd. agreed to acquire on a willing-buyer and willing-seller basis their respective equity interests of 60.0% and 40.0% in Zhongshan Yuanxin (which holds 100.0% of the interests in Ocean Metro Mall), at a purchase consideration equivalent to the amount of the total registered capital of Zhongshan Yuanxin;

(iv) on 30 September 2015, Lan Xin Management Pte. Ltd. and Dasin Merchant Investment entered into a sale and purchase agreement pursuant to which Dasin Merchant Investment agreed to sell and Lan Xin Management Pte. Ltd. agreed to acquire on a willing-buyer and willing-seller basis 100.0% of the total equity interest in Xiaolan Xinduhui, at a purchase consideration equivalent to the amount of the total registered capital of Xiaolan Xinduhui; and

(v) on 30 September 2015, Yi Xin Management Pte. Ltd. and Dasin Merchant Investment entered into a sale and purchase agreement pursuant to which Dasin Merchant Investment agreed to sell and Yi Xin Management Pte. Ltd. agreed to acquire on a willing-buyer and willing-seller basis 100.0% of the total equity interest in Yicai Xinduhui, at a purchase consideration equivalent to the amount of the total registered capital of Yicai Xinduhui.

(each a “Sale and Purchase Agreement”, (i) and (ii) are collectively known as the “Xiaolan Metro Mall and Dasin E-Colour Sale and Purchase Agreements”, (iii) is known as the “Ocean Metro Mall Sale and Purchase Agreement” and (iv) and (v) are collectively known as the “Rental Management Companies Sale and Purchase Agreements”. See “Certain Agreements Relating to Dasin Retail Trust and the Properties” of this Prospectus for further details.)

The completion date of each Sale and Purchase Agreement corresponds to the date of issuance of the Business Licence (as defined below) of each particular PRC Property Company or Rental Management Company which is the subject of the respective Sale and Purchase Agreement.

Dasin Retail Trust was constituted as a private trust in Singapore by a declaration of trust on 15 January 2016 by Dasin Retail Trust Management Pte. Ltd., as the trustee-manager of Dasin Retail Trust, under the Trust Deed. On 21 January 2016, this private trust acquired the entire issued share capital of Singapore Holdco from Mr. Zhang Zhencheng for a nominal consideration of S$1.00 in preparation for the Listing.

The total purchase consideration to be paid by Dasin Retail Trust through the Singapore Holding Companies on the Listing Date (which shall fall within three months of the date of issuance of the Business Licence of each of the PRC Property Companies and the Rental Management Companies) for the acquisition of each of the PRC Property Companies and Rental Management Companies is approximately RMB 1,343.7 million. (See “Use of Proceeds – Issue Proceeds” of this Prospectus for further details.) The total purchase consideration, which is equivalent to the aggregate amount of the total registered capital of each of the PRC Property Companies and Rental Management Companies, does not bear reference to the implied acquisition prices of each of the Properties, which is based on the respective independent valuations of each of the Properties as at 30 June 2016, and determined on a willing-seller and willing-buyer basis taking
into consideration the Offering Price, which includes the Underwriting, Selling and Management Commission, as well as other estimated offering expenses. (See “Overview – Certain Information on the Properties and Shiqi Metro Mall” and “Business and Properties – Certain Information on the Properties and Shiqi Metro Mall – Key Information on the Properties and Shiqi Metro Mall” of this Prospectus for further information on how the implied acquisition price of each of the Properties is derived.)

The acquisition of all the equity interests in the PRC Property Companies and Rental Management Companies by the Singapore Holding Companies was subsequently completed on 4 March 2016, upon the issuance of the Business Licences of each of Xiaolan Xinduhui, Xinteng Commercial and Zhongshan Yuanxin, and 7 March 2016, upon the issuance of the Business Licences of each of Xinrui Commercial and Yicai Xinduhui.

The following diagrams summarise the acquisition of the Initial Portfolio and the Rental Management Companies.

**Acquisition of Xiaolan Metro Mall and Dasin E-Colour**

[Diagram of acquisition process]

1. Dasin Management and Investment
   - 100.0%
   - Divests all of its interests in Xinteng Commercial and Xinrui Commercial

2. Xinteng Commercial / Xinrui Commercial
   - Sale and Purchase Agreements
   - 100.0%

3. Xiaolan Metro Mall and Dasin E-Colour
   - 100.0%

4. Dasin Retail Trust
   - 100.0%

5. Singapore Holdco
   - 100.0%

6. Yi Xin Investments Pte. Ltd. / Lan Xin Investments Pte. Ltd.
   - 100.0%

7. Xinteng Commercial / Xinrui Commercial
   - 100.0%

8. Dasin E-Colour / Xiaolan Metro Mall
   - 100.0%
Acquisition of Ocean Metro Mall

Dasin Property Investment and Beijing Yin Gang divests all of their interests in Zhongshan Yuanxin

Ocean Metro Mall Sale and Purchase Agreement

Dasin Retail Trust

Singapore Holdco

Yuan Xin Investments Pte. Ltd.

Zhongshan Yuanxin

Ocean Metro Mall

Acquisition of the Rental Management Companies

Dasin Merchant Investment divests all of its interests in Xiaolan Xinduhui and Yicai Xinduhui

Rental Management Companies Sale and Purchase Agreement

Dasin Retail Trust

Singapore Holdco

Lan Xin Management Pte. Ltd. / Yi Xin Management Pte. Ltd.

Xiaolan Xinduhui / Yicai Xinduhui

Dasin Retail Trust therefore holds the Properties indirectly through its ownership of Singapore Holdco which in turn holds the entire issued share capital of the Singapore Holding Companies. The Singapore Holding Companies in turn hold the equity interest of the PRC Property Companies located in PRC which directly own the Properties.
Pursuant to separate Property Management Agreements entered into by Zhongshan Jixin Property Management Co., Ltd., Shiqi Branch (中山市基信物业管理有限公司石岐分公司) (the “Property Manager”), and each of Xiaolan Xinduhui, Yicai Xinduhui, and Zhongshan Yuanxin respectively, the Property Manager is the property manager of the Properties, and provides similar scope of property management services in respect of each of the Properties.

JunZeJun Law Offices and King & Wood Mallesons have advised that, in accordance with PRC laws and regulations effective as at the date of this Prospectus, no other approval, filing and registration in PRC is required for the establishment of Xinteng Commercial and Xinrui Commercial by Dasin Management and Investment, apart from the registration with the local branch of the State Administration for Industry and Commerce of PRC (中华人民共和国国家工商行政管理总局) (the “SAIC”) for the establishment of Xinteng Commercial and Xinrui Commercial, which has been completed.

Prior to the acquisition of Zhongshan Yuanxin by Yuan Xin Investments Pte. Ltd., the shareholder loans granted by each of Dasin Property Investment and Beijing Yin Gang to Zhongshan Yuanxin were capitalised into equity of Zhongshan Yuanxin to be issued to its respective shareholders. (See “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions – Past Interested Person Transactions – Advances by/to Interested Persons to/by the Dasin Retail Trust Group – Amounts due from Zhongshan Yuanxin to Interested Persons” of this Prospectus for further details on the shareholder loans granted by each of Dasin Property Investment and Beijing Yin Gang). The loan capitalisation requires the approval of the local branch of the SAIC, which has been obtained.

The following steps are required to obtain the relevant approvals, filings and registrations necessary for the acquisition of the PRC Property Companies and the Rental Management Companies and the subsequent conversion of such PRC Property Companies and Rental Management Companies into foreign-invested real estate companies:

1. pursuant to Article 6 of the Wholly Foreign-owned Enterprise Law of PRC (effective from 12 April 1986 and amended on 3 September 2016) (the “WFOE Law”) and Articles 6 and 10 of the Administrative Measures Regarding M&As by Foreign Investors of Domestic Enterprises (effective from 8 September 2006 and amended on 22 June 2009) (商务部关于外国投资者并购境内企业的规定 (2009年修订)) (“M&A Administrative Measures”), the PRC Property Companies and Rental Management Companies will apply to the municipal branch of the Ministry of Commerce of PRC (中华人民共和国商务部) (the “MOFCOM”) (the administrative authority in charge of foreign investment), being the Bureau of Commerce of Zhongshan City (中山市商务局) (“Bureau of Commerce of Zhongshan City”) for the initial approval of the acquisition by the Singapore Holding Companies of the interests in the PRC Property Companies and the Rental Management Companies. After the Bureau of Commerce of Zhongshan City has completed its review and approved such acquisition, it will submit the application to the provincial branch of the MOFCOM, being the Department of Commerce of Guangdong Province (广东省商务厅) (“Department of Commerce of Guangdong Province”), for the subsequent approval of such acquisition by the Singapore Holding Companies of the interests in the PRC Property Companies and the Rental Management Companies, where, upon approval, approval certificates (外商投资企业批准证书)(the “Approval Certificates”) will be issued by the Department of Commerce of Guangdong Province in respect of each of the PRC Property Companies for the establishment of such foreign-invested real estate enterprises in PRC and in respect of each of the Rental Management Companies for the establishment of such foreign-invested enterprises in PRC;
(2) pursuant to Articles 1, 2 and 3 of the “Notice on Improving the Filing of Foreign-Invested Real Estate Enterprise” 《商务部、外汇局关于改进外商投资房地产备案工作通知》(商资函[2014]340号) (effective from 1 August 2014) issued by MOFCOM and the State Administration of Foreign Exchange of PRC (国家外汇管理局) (“SAFE”), the PRC Property Companies will then apply to the Bureau of Commerce of Zhongshan City for filing as a foreign-invested real estate company. After the Bureau of Commerce of Zhongshan City has completed its review of the filing application, it will submit the application to the Department of Commerce of Guangdong Province, which will then proceed with the filing on behalf of, and upon authorisation of MOFCOM. MOFCOM may, but not in all cases, raise enquiries on the filing materials submitted by its provincial branch, the Department of Commerce of Guangdong Province, and once the materials and/or the replies or explanations are to its satisfaction, the information of the foreign-invested real estate company will be made public on the official website of MOFCOM, which shall be deemed as completion of filing;

(3) pursuant to Article 7 of the WFOE Law of the PRC and Article 4 of the Implementation Opinions on Legal Application for Administration of Approving and Registration of Foreign-invested Companies 《关于外商投资的公司审批登记管理法律适用若干问题的执行意见》(effective from 24 April 2006), each of the Rental Management Companies and in the case of the PRC Property Companies, once the filing with the Department of Commerce of Guangdong Province has been approved, shall apply to the municipal branch of the SAIC, being the Zhongshan Administration for Industry and Commerce (中山市工商行政管理局) (“Zhongshan Administration for Industry and Commerce”), for approval of the change in the respective companies’ shareholders, equity percentage, nature and/or registered capital. Upon approval, the Zhongshan Administration for Industry and Commerce will issue business licences to each of the PRC Property Companies and Rental Management Companies (each a “Business Licence” and, collectively, the “Business Licences”) recording such alteration;

(4) pursuant to Articles 1 and 2 and the annex of the Notice of the State Administration of Foreign Exchange on Further Simplification and Improvement of Foreign Exchange Administration Policy of Direct Investment (effective from 1 June 2015) 《国家外汇管理局关于进一步简化和改进直接投资外汇管理政策的通知》(汇发[2015]13号), once the Business Licences have been issued, each of the PRC Property Companies and Rental Management Companies can apply for the Foreign Exchange Registration (as defined below) with the qualified banks whereupon approval, the qualified bank will issue a business registration certificate (业务登记凭证) (the “Business Registration Certificate”) for each of the PRC Property Companies and Rental Management Companies; and

(5) pursuant to the annex of the Notice of the State Administration of Foreign Exchange on Further Simplification and Improvement of Foreign Exchange Administration Policy of Direct Investment (effective from 1 June 2015) 《国家外汇管理局关于进一步简化和改进直接投资外汇管理政策的通知》(汇发[2015]13号) following issuance of the Business Registration Certificates, each of the vendors of the PRC Property Companies and Rental Management Companies, namely, Dasin Management and Investment, Dasin Property Investment, Beijing Yin Gang and Dasin Merchant Investment can then apply to the qualified banks to set up its respective designated bank accounts (资产变现账户) ("designated bank accounts") that will each be used to receive the purchase consideration paid by the Singapore Holding Companies to each vendor in respect of each of the PRC Property Companies and Rental Management Companies.
According to JunZeJun Law Offices and King & Wood Mallesons, Article 11 of the M&A Administrative Measures provides that where a PRC domestic company, PRC enterprise or PRC citizen intends to take over a related PRC domestic company using an offshore company which such PRC domestic company, PRC enterprise or PRC citizen established or controls, the takeover is subject to approval by the MOFCOM.

JunZeJun Law Offices and King & Wood Mallesons have advised that Article 11 of the M&A Administrative Measures is not applicable to the acquisition of the PRC Property Companies and Rental Management Companies by Dasin Retail Trust, as Dasin Retail Trust had acquired the entire issued share capital of Singapore Holdco (which indirectly holds the PRC Property Companies and Rental Management Companies) from the shareholder of Singapore Holdco, Mr. Zhang Zhencheng, who is a Macau citizen, and not a PRC citizen.

In addition, pursuant to Article 15 of the M&A Administrative Measures, parties involved in a proposed acquisition should disclose to the approving authorities whether the parties concerned are interests-related. If there are two parties who are effectively controlled by the same controller, the parties concerned must disclose the identity of their controller to the relevant approving authorities. Where the parties concerned are controlled ultimately and actually by a same party, they should also provide further explanation on compliance of the acquisition price with fair value. Article 15 further prohibits the parties concerned from circumventing the aforesaid requirements through trusts or other means. Based on (i) the fact that prior to the onshore restructuring, the actual controller of the PRC Property Companies and Rental Management Companies are the Zhang Vendors and the actual and ultimate controller of the acquirer, being the respective Singapore Holdco (which indirectly holds the PRC Property Companies and Rental Management Companies, is Mr. Zhang Zhencheng, who does not hold any interests in the PRC Property Companies and Rental Management Companies; (ii) the current PRC laws, rules and regulations; and (iii) interviews with the officers from the Department of Commerce of Guangdong Province, each of JunZeJun Law Offices and King & Wood Mallesons is of the view that Article 15 is not applicable to the acquisition of all of the PRC Property Companies and Rental Management Companies from the Zhang Vendors by Dasin Retail Trust (through the Singapore Holdco Companies) notwithstanding the family relationship between the Zhang Vendors and Mr. Zhang Zhencheng, as Mr. Zhang Zhencheng does not hold any equity interests in the PRC Property Companies and Rental Management Companies prior to the onshore restructuring and is, accordingly, not interests-related to the Zhang Vendors for the purposes of Article 15.

According to JunZeJun Law Offices and King & Wood Mallesons, Article 39, Article 40 and Article 42 of the M&A Administrative Measures provide that special purpose vehicles established for listing purposes that are held directly or indirectly by PRC companies or PRC natural persons and used for the acquisition of equity interests in PRC companies are subject to prior approval from the China Securities Regulatory Commission (the “CSRC”). JunZeJun Law Offices and King & Wood Mallesons have advised that Article 39, Article 40 and Article 42 do not apply to Dasin Retail Trust as the Units in Dasin Retail Trust are not held directly or indirectly by PRC companies or PRC natural persons prior to Listing. As such, Dasin Retail Trust does not fall within the definition of a special purpose vehicle for the purposes of the M&A Administrative Measures and accordingly, approval from the CSRC is not required for the acquisition of the PRC Property Companies and Rental Management Companies by Dasin Retail Trust.

According to JunZeJun Law Offices and King & Wood Mallesons, the Notice by the MOFCOM on Implementing Recording Work of Foreign Investment in the Real Estate Sector (商务部关于做好外商投资房地产企业备案工作的通知) (“Notice on Implementing Recording Work of Foreign Investment in the Real Estate Sector”) and the Circular of the MOFCOM and the SAFE on Improving the Recording Work of Foreign Investment in the Real Estate Sector (商务部、外汇局关于改进外商投资房地产备案工作的通知) (“Circular on Improving the Recording Work of Foreign Investment in the Real Estate Sector”) provide that foreign-invested real estate enterprises, which refer to enterprises that develop real estate or operate real estate owned by themselves, are required to apply to the Department of Commerce of Guangdong Province for filing.

Based on consultations with the Department of Commerce of Guangdong Province on the interpretation of the Notice by the MOFCOM on the Implementation of the Notice on Implementing Recording Work of Foreign Investment in the Real Estate Sector and the Circular on Improving the Recording Work of Foreign Investment in the Real Estate Sector, the Department of Guangdong Province had indicated that as the business scopes of the Rental Management Companies exclude the development of real estate and also exclude the operation of any real estate owned by themselves (as the Rental Management Companies do not hold any real estate), the Rental Management Companies are not categorised as foreign-invested real estate enterprises and are not required to apply to the Department of Commerce of Guangdong Province for filing as foreign-invested real estate enterprises. Apart from such filing, the Rental Management Companies are subject to the same approvals and registrations that are required for the acquisition of the PRC Property Companies and the subsequent conversion of such PRC Property Companies into foreign-invested real estate companies.

Notes:

(1) According to JunZeJun Law Offices and King & Wood Mallesons, Article 11 of the M&A Administrative Measures provides that where a PRC domestic company, PRC enterprise or PRC citizen intends to take over a related PRC domestic company using an offshore company which such PRC domestic company, PRC enterprise or PRC citizen established or controls, the takeover is subject to approval by the MOFCOM.

(2) According to JunZeJun Law Offices and King & Wood Mallesons, the Notice by the MOFCOM on Implementing Recording Work of Foreign Investment in the Real Estate Sector (商务部关于做好外商投资房地产企业备案工作的通知) (“Notice on Implementing Recording Work of Foreign Investment in the Real Estate Sector”) and the Circular of the MOFCOM and the SAFE on Improving the Recording Work of Foreign Investment in the Real Estate Sector (商务部、外汇局关于改进外商投资房地产备案工作的通知) (“Circular on Improving the Recording Work of Foreign Investment in the Real Estate Sector”) provide that foreign-invested real estate enterprises, which refer to enterprises that develop real estate or operate real estate owned by themselves, are required to apply to the Department of Commerce of Guangdong Province for filing.
According to JunZeJun Law Offices and King & Wood Mallesons, pursuant to the “Notice on Further Improving the Filing of Foreign-Invested Real Estate Enterprise” (《商务部·外汇局关于进一步改进外商投资房地产备案工作 的通知》（商政发[2015] 895号）(the “Shang Zi Han [2015] No. 895 Notice”) issued by MOFCOM and SAFE on 6 November 2015, effective as of 6 November 2015, foreign-invested real estate companies are no longer required to proceed with the public disclosure of filing by MOFCOM on its official website. Therefore, according to JunZeJun Law Offices and King & Wood Mallesons, the current position (after 6 November 2015) is as follows:

- the foreign-invested real estate companies will apply to the Bureau of Commerce of Zhongshan City for filing as a foreign-invested real estate company; and
- after the Bureau of Commerce of Zhongshan City has completed its review of the filing application, it will submit the application to the Department of Commerce of Guangdong Province which will review the application and upon completion of the review, approve the filing, which shall then be deemed as completion of filing.

As such, after 6 November 2015, the additional step for the public disclosure of filing by the MOFCOM on its official website is not required for foreign-invested real estate companies. For the avoidance of doubt, each of the PRC Property Companies and Rental Management Companies on the date of such completion of step (3) above) for the purposes of completion of the acquisition of the Initial Portfolio, notwithstanding that the purchase consideration has not been paid by the Singapore Holding Companies to the vendors of the PRC Property Companies and Rental Management Companies, Dasin Retail Trust will be deemed under PRC law to have completed the acquisition (the “Foreign Exchange Registration”). Failure to complete the Foreign Exchange Registration means that the foreign investor cannot remit out of PRC or reinvest within PRC any funds derived from liquidation, capital reduction, transfer of equity, early recovery of its investment or distribution of profits in the PRC enterprise acquired.

With the implementation of No. 13 Circular, foreign-owned enterprises can select qualified banks with which to conduct Foreign Exchange Registration directly, and such qualified banks will administer foreign exchange transactions according to the registration information provided by the parties. The SAFE will, therefore, through qualified banks, indirectly supervise the Foreign Exchange Registration.

As a foreign-owned enterprise, the effect of No. 13 Circular on the PRC Property Companies and the Rental Management Companies is that each of the PRC Property Companies and Rental Management Companies will now have to apply to the qualified banks for Foreign Exchange Registration of distribution of and remittance of dividends abroad to its foreign shareholder, being the respective Singapore Holding Companies. While registration with the SAFE is not required, the qualified banks are subject to the supervision of the SAFE.

According to JunZeJun Law Offices and King & Wood Mallesons, upon the issuance of the Business Licences of the PRC Property Companies and the Rental Management Companies (the completion of step (3) above) for the purposes of completion of the acquisition of the Initial Portfolio, notwithstanding that the purchase consideration has not been paid by the Singapore Holding Companies to the vendors of the PRC Property Companies and Rental Management Companies, Dasin Retail Trust will be deemed under PRC law¹ to have completed the acquisition of the PRC Property Companies and Rental Management Companies on the date of such issuance of the Business Licences, and the Singapore Holding Companies will be the legal and beneficial owner of the entire equity interests in the foreign-invested real estate companies, having all rights as holder of the equity interests in the PRC Property Companies and the Rental Management Companies, including the rights to the distributions of the PRC Property Companies and the Rental Management Companies from the date of the issuance of the Business Licences.

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¹ The material PRC laws and regulations refer to:
2. Regulation on Administration of Company Registration of PRC (中华人民共和国公司登记管理条例 (2016年修订)) (effective from 1 July 1994 and amended on 6 February 2016);
3. WFOE Law; and
4. Implementation Opinions on Legal Application for Administration of Approving and Registration of Foreign-invested Companies (《关于外商投资的公司审批登记管理法律适用若干问题的执行意见》(effective from 24 April 2006).
(as stipulated in the constitutive documents of the respective PRC Property Companies and Rental Management Companies). However, until the purchase consideration is paid by the Singapore Holding Companies to each of the designated bank accounts of the vendors and received by the vendors in such designated bank accounts, distributions accrued from the PRC Property Companies and the Rental Management Companies cannot be paid out to its respective shareholders, namely, the Singapore Holding Companies, notwithstanding that the Singapore Holding Companies are entitled to all distributions from the respective PRC Property Companies and Rental Management Companies from the date of the issuance of the Business Licences.

According to the “Circular on Thorough Implementation of the Opinions on Regulating the Entry and Administration of Foreign Investments into the Property Market” promulgated by the General Office of MOFCOM on 14 August 2006, each of the relevant Singapore Holding Companies is required to pay in full the purchase considerations for the respective PRC Property Companies within three months of the date of issuance of the Business Licence of the respective PRC Property Company. Accordingly, the purchase consideration for each of Xinteng Commercial and Zhongshan Yuanxin has to be paid by 3 June 2016 and the purchase consideration for Xinrui Commercial has to be paid by 6 June 2016. In the case of the Rental Management Companies, according to the M&A Administrative Measures, each of the relevant Singapore Holding Companies is required to pay in full the purchase considerations for the Rental Management Companies within three months of the date of issuance of the Business Licence of the respective Rental Management Company. However, where an extension of this time limit is required due to special circumstances, the relevant Singapore Holding Company shall, subject to the approval of the relevant approving authority (i.e. Department of Commerce of Guangdong Province), pay at least 60.0% of the total consideration within six months of the date of issuance of the Business Licence of the respective Rental Management Company and satisfy the full purchase consideration within one year. As approvals for extension of the payment terms have not been obtained from the Department of Commerce of Guangdong Province, the purchase consideration for Xiaolans Xinduhui has to be paid by 3 June 2016 and the purchase consideration for Yicai Xinduhui has to be paid by 6 June 2016.

The purchase considerations for the Rental Management Companies were each paid into the designated bank accounts of Dasin Merchant Investment prior to 3 June 2016 from the subscription proceeds of approximately S$2.3 million (equivalent to RMB 11.0 million) from the issuance of Units to Aqua Wealth. The purchase considerations for Xinrui Commercial, Zhongshan Yuanxin and Xinteng Commercial will be paid into the designated bank accounts of the vendors, Dasin Management and Investment, Dasin Property Investment and Beijing Yin Gang, and Dasin Management and Investment respectively, using amounts drawn down from part of the Facilities and proceeds from the Offering on the Listing Date, as the funds from the Facilities will only be drawn down on Listing Date and even then, it would not be sufficient for the payment of the purchase considerations for Xinrui Commercial, Zhongshan Yuanxin and Xinteng Commercial. As such, the purchase considerations for Xinrui Commercial, Zhongshan Yuanxin and Xinteng Commercial will only be remitted by their respective Singapore Holding Companies, namely, Lan Xin Investments Pte. Ltd., Yuan Xin Investments Pte. Ltd. and Yi Xin Investments Pte. Ltd., into the designated bank accounts of their respective vendors after 6 June 2016. According to the Sponsor, based on international bank transfer practices, the time required for the purchase consideration to be received by the vendors, from the time the purchase considerations are remitted by Lan Xin Investments Pte. Ltd., Yuan Xin Investments Pte. Ltd. and Yi Xin Investments Pte. Ltd. respectively to the designated bank accounts of their respective vendors, shall take no more than two business days in PRC.

The Circular on Thorough Implementation and the M&A Administrative Measures does not expressly stipulate the implication of a delay in the payment of the purchase consideration. As at the Latest Practicable Date, save for the fine incurred by the Singapore Holding Companies in
relation to the stamp duty paid in connection with the acquisition of the PRC Property Companies and the Rental Management Companies by the Singapore Holding Companies (see “Risk Factors – Risks Relating to the Properties and Shiqi Metro Mall – The Properties are subject to property related taxes that may increase and thereby adversely affect Dasin Retail Trust’s financial condition.” of this Prospectus for further details), no notice of any penalty or negative consequence has been received by any of the Singapore Holding Companies, the PRC Property Companies or the Rental Management Companies from the Department of Commerce of Guangdong Province (the authority which approved the acquisition by the Singapore Holding Companies of the PRC Property Companies and Rental Management Companies) and the Zhongshan Administration for Industry and Commerce (the authority which issued the Business Licence of each of the PRC Property Companies and Rental Management Companies) or any other government authorities. As for the aforementioned fine incurred by the Singapore Holding Companies in relation to the stamp duty paid in connection with the acquisition of the PRC Property Companies and the Rental Management Companies by the Singapore Holding Companies, each of JunZeJun Law Offices and King & Wood Mallesons has advised that no further penalties or fines arising from the late payment of the stamp duty will be levied on the Dasin Retail Trust Group and that the late payment of the stamp duty will not affect the completion of the acquisition of the PRC Property Companies and the Rental Management Companies by the Singapore Holding Companies. Based on verbal consultations with the Department of Commerce of Guangdong Province and the Zhongshan Administration for Industry and Commerce, the relevant regulatory departments will typically take regulatory action against the PRC Property Companies only if their respective vendors, Dasin Management and Investment, as well as Dasin Property Investment and Beijing Yin Gang, file a complaint with the relevant regulatory department. As such, both JunZeJun Law Offices and King & Wood Mallesons are of the view that the risk of the approvals given in respect of Xinrui Commercial, Zhongshan Yuanxin and Xinteng Commercial by the Department of Commerce of Guangdong Province being revoked as a result of the delay in the payment of their respective purchase considerations is remote, given that the vendors, Dasin Management and Investment, as well as Dasin Property Investment and Beijing Yin Gang, had on 1 June 2016 provided an irrevocable written undertaking to waive any rights, claims, actions or proceedings that they may have against Lan Xin Investments Pte. Ltd., Yuan Xin Investments Pte. Ltd. or Yi Xin Investments Pte. Ltd., as the case may be, or their related entities (including, but not limited to, Dasin Retail Trust and Dasin Retail Trust Management Pte. Ltd.), for any losses or liabilities they may suffer as a result of the delay in the payment of the purchase consideration of Xinrui Commercial, Zhongshan Yuanxin or Xinteng Commercial, as the case may be (save that in the case of Yuan Xin Investments Pte. Ltd., the undertaking given by Dasin Property Investment and Beijing Yin Gang shall be effective up to 30 June 2017). Consequently, both JunZeJun Law Offices and King & Wood Mallesons are of the view that the risk of the Business Licences of PRC Property Companies issued by the Zhongshan Administration for Industry and Commerce being revoked as a result of the delay in the payment of the purchase consideration is remote.

Each of JunZeJun Law Offices and King & Wood Mallesons is of the view that if the following three conditions, being:

(i) the Approval Certificates in respect of each of the PRC Property Companies for the establishment of such foreign-invested real estate enterprises in PRC and the Approval Certificates in respect of each of the Rental Management Companies for the establishment of such foreign-invested enterprises in PRC have been obtained from the Department of Commerce of Guangdong Province;

(ii) completion of filing by the Department of Commerce of Guangdong Province for each of the PRC Property Companies as a foreign-invested real estate company; and
(iii) the issuance of the Business Licences reflecting the Singapore Holding Companies as the shareholders of the PRC Property Companies and Rental Management Companies by the Zhongshan Administration for Industry and Commerce,

are satisfied and all the documents and materials customarily required for the Foreign Exchange Registration (the “application materials”) have been submitted to the relevant qualified bank reviewing the Foreign Exchange Registration on behalf of the SAFE, subject to the satisfaction of such qualified bank that the application materials are in order, the issuance of the Business Registration Certificate by the qualified bank as well as the subsequent approval for the setting up of the designated bank accounts by the qualified bank are procedural in nature and are expected to be completed within eight to 10 Business Days upon due receipt of the application materials. As at the date of this Prospectus, the conditions described in (i), (ii) and (iii) above have been met. As at the date of this Prospectus, the Foreign Exchange Registration and the Business Registration Certificates of each of the PRC Property Companies and Rental Management Companies have been completed and obtained respectively. According to the Trustee-Manager, the designated bank accounts for receiving the purchase consideration paid by the Singapore Holding Companies on the Listing Date have been opened.

JunZeJun Law Offices and King & Wood Mallesons have also advised that the approval of the MOFCOM or the National Development and Reform Commission of PRC (中华人民共和国国家发展和改革委员会) (“NDRC”) or any other PRC regulatory approvals are not required for (i) the sale of shares of the Singapore Holding Companies by their respective vendors to Singapore Holdco; or (ii) any other transfers of the shares of the Singapore Holding Companies by Singapore Holdco, as such transactions will take place outside of PRC and the purchaser will not be a PRC resident. Dasin Retail Trust will, through the completion of its acquisition of the Singapore Holding Companies, obtain ownership of the PRC Property Companies and Rental Management Companies. According to JunZeJun Law Offices and King & Wood Mallesons, the acquisition of each of the PRC Property Companies and Rental Management Companies by its respective Singapore Holding Companies does not require the approval of the NDRC at the provincial or municipal level.

JunZeJun Law Offices and King & Wood Mallesons have advised that once the purchase consideration is paid by the Singapore Holding Companies to each of the designated bank accounts of the vendors on the Listing Date, and upon review by the bank to ensure that such purchase consideration amount is the same amount that had previously been approved by the Department of Commerce of Guangdong Province when it had approved the acquisition by the Singapore Holding Companies of the interests in the PRC Property Companies and the Rental Management Companies, receipt by the vendors of the purchase consideration in such designated bank accounts is purely procedural and there are no legal impediments to the vendors’ receipt of the purchase consideration.

Each of JunZeJun Law Offices and King & Wood Mallesons is of the opinion that the onshore restructuring and acquisition of the Initial Portfolio and the Rental Management Companies comply with all applicable laws and regulations in PRC, and all approvals, filings and registrations described above which are required for the onshore restructuring and acquisition of the Initial Portfolio and the Rental Management Companies have been obtained and completed. As aforementioned, each of JunZeJun Law Offices and King & Wood Mallesons is of the opinion that approval from the CSRC is not relevant for the listing of Dasin Retail Trust on the SGX-ST.
Acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company

In addition to the foregoing Properties, Singapore Holdco entered into the Shiqi Framework Agreement with Mr. Zhang Zhencheng and Dasin Management and Investment on 13 January 2017, for Dasin Retail Trust to acquire Shiqi Metro Mall (via the acquisition of the Shiqi PRC Property Company) and the Shiqi Rental Management Company from Dasin Management and Investment.

Under the Shiqi Framework Agreement, Mr. Zhang Zhencheng will incorporate Shiqi Holdco, a Singapore holding company which will in turn incorporate two wholly-owned subsidiaries, one of which will be used to acquire the Shiqi PRC Property Company, established by Dasin Management and Investment to hold Shiqi Metro Mall, and the other one of which will be used to acquire the Shiqi Rental Management Company, a wholly-owned subsidiary of Dasin Management and Investment. After the Shiqi PRC Property Company and Shiqi Rental Management Company have been acquired by the subsidiaries of Shiqi Holdco, Dasin Retail Trust will then acquire Shiqi Holdco from Mr. Zhang Zhencheng at a purchase consideration of approximately RMB 1,224.0 million, which is arrived at on a willing-buyer and willing-seller basis based on the implied acquisition price of Shiqi Metro Mall of approximately RMB 1,224.0 million.

Under the Shiqi Framework Agreement, Mr. Zhang Zhencheng is obliged to enter into the Shiqi Holdco Sale and Purchase Agreement for the sale of Shiqi Holdco to Dasin Retail Trust (via Singapore Holdco) and complete the sale of Shiqi Holdco by the Target Shiqi Acquisition Date. Under the Shiqi Framework Agreement, if the conditions precedent for the acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company are not met by the Target Shiqi Acquisition Date, Singapore Holdco is entitled to terminate the Shiqi Framework Agreement as well as the Shiqi Holdco Sale and Purchase Agreement without liability. The Shiqi Framework Agreement provides that it can only be terminated by Singapore Holdco through rescission due to (i) material damage to Shiqi Metro Mall or (ii) material breach of the Shiqi Framework Agreement by Dasin Management and Investment or Mr. Zhang Zhencheng (including failure to meet any of the conditions precedent for the acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company by the Target Shiqi Acquisition Date and/or failure to provide the banker’s guarantee within the stipulated timeframe) which is not remedied within 14 working days (or such other date as mutually agreed by the parties) after receipt of notification from Singapore Holdco.

In addition, if the completion of the acquisition of Shiqi Holdco does not take place on or before the Target Shiqi Acquisition Date due to a material breach by Mr. Zhang Zhencheng and/or Dasin Management and Investment of the Shiqi Framework Agreement (including a failure to meet any conditions precedent stipulated in the Shiqi Framework Agreement and failure to provide the banker’s guarantee within the stipulated timeframe) or the Shiqi Holdco Sale and Purchase Agreement (as the case may be), Mr. Zhang Zhencheng and Dasin Management and Investment shall jointly and severally compensate Singapore Holdco by paying to Singapore Holdco 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 Singapore Holdco; or (iii) 31 December 2017, whichever is earlier, up to a maximum of RMB 19.6 million for the year 2017. If the completion of the acquisition of Shiqi Holdco does not take place on or before 31 December 2017, due to a material breach by Mr. Zhang Zhencheng and/or Dasin Management and Investment of the Shiqi Framework Agreement (including a failure to meet any conditions precedent stipulated in the Shiqi Framework Agreement and failure to provide the banker’s guarantee within the stipulated timeframe) or the Shiqi Holdco Sale and Purchase Agreement (as the case may be), Mr. Zhang Zhencheng and Dasin Management and Investment shall jointly and severally compensate Singapore Holdco by paying to Singapore Holdco an amount of RMB 4.7 million every month from 1 January 2018 until

1 The implied acquisition price of Shiqi Metro Mall is based on the average of the two independent valuations of Shiqi Metro Mall as at 30 June 2016, and determined on a willing-seller and willing-buyer basis.
(i) the date of completion; (ii) the date of termination by Singapore Holdco; or (iii) 31 December 2018, whichever is earlier, up to a maximum of RMB 56.2 million for the year 2018. Such compensation is without prejudice to the legal remedies that Dasin Retail Trust may seek against Dasin Management and Investment and Mr. Zhang Zhencheng, which may include specific performance and compensation for losses incurred by Dasin Retail Trust due to the breach of the Shiqi Framework Agreement or the Shiqi Holdco Sale and Purchase Agreements (as the case may be).

The compensation amount was determined based on the principle that the distribution yield in Forecast Year 2017 and Projection Year 2018 DPU yield for Unit holders should be similar even if Shiqi Metro Mall was not acquired. Accordingly, the maximum compensation amounts of RMB 19.6 million for Forecast Year 2017 and RMB 56.2 million for Projection Year 2018 were derived based on the approximate incremental distributable income that was projected to be generated by Dasin Retail Trust from Shiqi Metro Mall for the financial years ending 31 December 2017 and 31 December 2018 had Dasin Retail Trust completed the acquisition of Shiqi Metro Mall on the Target Shiqi Acquisition Date (see “Profit Forecast and Profit Projection” of this Prospectus for further details), and adjusted for Singapore income tax of 17.0% that may be payable by Singapore Holdco on the compensation amount.

The RMB 3.3 million monthly compensation was derived by dividing the maximum compensation amount for the period from 1 January 2017 to 31 December 2017 (both dates inclusive) of RMB 19.6 million over six months, while the RMB 4.7 million monthly compensation was derived by dividing the maximum compensation amount for the period from 1 July 2018 to 31 December 2018 (both dates inclusive) of RMB 56.2 million over 12 months.

As security for the due fulfilment of Mr. Zhang Zhencheng’s and Dasin Management and Investment’s compensation obligations under the Shiqi Framework Agreement, Dasin Management and Investment will provide a banker’s guarantee of RMB 19.6 million, procured from Bank of China Limited, Zhongshan Branch, to the Trustee-Manager on the date the Shiqi Framework Agreement is entered into for the period from 1 July 2017 till 31 December 2017 (both dates inclusive). If the acquisition of Shiqi Metro Mall is not completed on or before 31 December 2017, Dasin Management and Investment undertakes to provide a banker’s guarantee of RMB 56.2 million to the Trustee-Manager by 31 December 2017 for the period from 1 January 2018 to 31 December 2018 (both dates inclusive). If the acquisition of Shiqi Metro Mall is not completed on or before 31 December 2018, then Singapore Holdco may terminate the Shiqi Framework Agreement as well as the Shiqi Holdco Sale and Purchase Agreement without liability on the part of Singapore Holdco.

The acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company (via the acquisition of Shiqi Holdco) by Dasin Retail Trust will be wholly financed by debt, and will be made conditional upon certain conditions being met, for example, the receipt of all relevant titles (including the Building Ownership Certificate for the newly constructed extension of Shiqi Metro Mall, which is approximately 674.3 sq m. See “Risk Factors – Risks Relating to the Properties and Shiqi Metro Mall – The Building Ownership Certificate in respect of a portion of Shiqi Metro Mall comprising a newly constructed area of 674.3 sq m has yet to be obtained.” of this Prospectus for further information) and the discharge of all encumbrances of Shiqi Metro Mall. Each of Dasin Management and Investment and Mr. Zhang Zhencheng has undertaken in the Shiqi Framework Agreement that it/he will use best endeavours to ensure that all encumbrances of Shiqi Metro Mall will be discharged by the Target Shiqi Acquisition Date.

The assessment on whether the conditions precedent in the Shiqi Holdco Sale and Purchase Agreement have been met will be determined by the management of the Trustee-Manager and reviewed by the Audit and Risk Committee before recommendations are made to the Board of the Trustee-Manager for the approval of the Board, in accordance with the investment strategy of
Dasin Retail Trust, the provisions of the Listing Manual and the Business Trusts Act. If a member of the Board (including the Audit and Risk Committee) has an interest in the transaction, he will abstain from participating in the review and approval process.

Prior to execution of the Shiqi Holdco Sale and Purchase Agreement, the Trustee-Manager will appoint two independent valuers who will each conduct an independent valuation of Shiqi Metro Mall. If the average of the two independent valuations falls below RMB 1,224.0 million, the purchase consideration of Shiqi Holdco will be reduced to the average or lower than the average of the two independent valuations as mutually agreed between Mr. Zhang Zhencheng and Singapore Holdco. There will not be any upward adjustment to the implied acquisition price of Shiqi Metro Mall of approximately RMB 1,224.0 million, regardless of whether one or both valuations is/are higher than RMB 1,224.0 million, unless Unitholders’ approval to amend the terms of the Shiqi Framework Agreement has been obtained at an extraordinary general meeting. Mr. Zhang Zhencheng, as settlor of the Zhang Family Trust, has undertaken in the Shiqi Framework Agreement that in the event there is any amendment to the Shiqi Framework Agreement and Unitholders’ approval is required for such amendment(s), he shall procure the Family Trustee, as the trustee of the Zhang Family Trust, to abstain from voting in respect of its Units.

The Constitution of the Trustee-Manager provides that a director of the Trustee-Manager shall not vote in respect of any transaction, contract or arrangement or any other proposal in which he has any personal material interest, directly or indirectly. Accordingly, as a Director, Mr. Zhang Zhencheng is unable to vote in a meeting of the Board of Directors on matters relating to the Shiqi Framework Agreement and the Shiqi Holdco Sale and Purchase Agreement, as Mr. Zhang Zhencheng has a personal material interest in the Shiqi Framework Agreement and Shiqi Holdco Sale and Purchase Agreement.

For the avoidance of doubt, there are no deposits payable by Dasin Retail Trust or Singapore Holdco for the acquisition of Shiqi Metro Mall under the Shiqi Framework Agreement. The Shiqi Framework Agreement does not provide for any sums to be payable by Dasin Retail Trust or Singapore Holdco in the event the acquisition of Shiqi Metro Mall is not completed.

The Shiqi Framework Agreement and the acquisition of Shiqi Holdco are interested person transactions under Chapter 9 of the Listing Manual of the SGX-ST and the purchase consideration of approximately RMB 1,224.0 million for Shiqi Holdco under the Shiqi Framework Agreement is deemed to be approved by the Unitholders upon the subscription for Units.

(See “Certain Agreements Relating to Dasin Retail Trust and the Properties – Shiqi Framework Agreement” of this Prospectus for further details on the acquisition of Shiqi Metro Mall.)
The following diagrams summarise the acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company:

**Acquisition of Shiqi Metro Mall**

- **Mr. Zhang Zhencheng**
  - **100.0%**
- **Shiqi Holdco**
  - **100.0%**
- **Holding Company (to be incorporated in Singapore)**
  - **100.0%**
- **Shiqi PRC Property Company**
  - **100.0%**
- **Shiqi Metro Mall**
  - **100.0%**

Mr. Zhang Zhencheng divests all of his interests in Shiqi Holdco

**Shiqi Holdco Sale and Purchase Agreement**

**Dasin Retail Trust**

**Singapore Holdco**

**Shiqi Holdco**

**Shiqi PRC Property Company**

**Shiqi Holdco Sale and Purchase Agreement**

**Shiqi Metro Mall**

**Acquisition of the Shiqi Rental Management Company**

- **Mr. Zhang Zhencheng**
  - **100.0%**
- **Shiqi Holdco**
  - **100.0%**
- **Holding Company (to be incorporated in Singapore)**
  - **100.0%**
- **Shiqi Rental Management Company**
  - **100.0%**

Mr. Zhang Zhencheng divests all of his interests Shiqi Holdco

**Shiqi Holdco Sale and Purchase Agreement**

**Dasin Retail Trust**

**Singapore Holdco**

**Shiqi Holdco**

**Shiqi PRC Property Company**

**Shiqi Holdco Sale and Purchase Agreement**

**Shiqi Rental Management Company**
According to JunZeJun Law Offices and King & Wood Mallesons, the acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company is subject to the same PRC approvals, filings and registrations as those required for the acquisition of the PRC Property Companies and Rental Management Companies in the Initial Portfolio.

Upon completion of the acquisition of Shiqi Metro Mall, it is intended that the Shiqi Rental Management Company will enter into a property management agreement and commercial management agreement with the Property Manager and Commercial Manager respectively, pursuant to which the Property Manager will be appointed as the property manager of Shiqi Metro Mall to provide property management services in respect of Shiqi Metro Mall and the Commercial Manager will be appointed as the commercial manager of Shiqi Metro Mall to provide marketing services to Shiqi Metro Mall.

**Purchase Option to acquire the Doumen Metro Mall Development Project**

Further, Dasin Management and Investment has on 27 December 2016 granted to Singapore Holdco the option to acquire the Doumen Metro Mall Development Project. Prior to the exercise of the Doumen Purchase Option, the Trustee-Manager will appoint two independent valuers who will each conduct independent valuations of the Doumen Metro Mall Development Project. The purchase consideration of the Doumen Metro Mall Development Project shall be determined by mutual agreement between both parties but shall not exceed the lower of the two independent valuations undertaken on an “as-is” basis at the time of the exercise of the Doumen Purchase Option.

The Doumen Purchase Option shall be exercisable by Singapore Holdco from the Listing Date and shall expire upon the issuance of the completion certificate in respect of the Doumen Metro Mall Development Project by the relevant PRC authorities. Any change to the terms of the Doumen Purchase Option will be subject to Rules 905 and 906 of the Listing Manual.

Upon the exercise of the Doumen Purchase Option, Singapore Holdco and Dasin Management and Investment (through their respective subsidiaries or special purpose vehicles) shall be entitled but not obliged to enter into a sale and purchase agreement for the acquisition of the project company that holds the Doumen Metro Mall Development Project at the acquisition price in accordance with the terms of the Doumen Purchase Option.

For the avoidance of doubt, in the event the Doumen Purchase Option is not exercised by the expiry of the term of the Doumen Purchase Option, the Doumen Metro Mall Development Project will constitute a ROFR Property.

**The Trustee-Manager: Dasin Retail Trust Management Pte. Ltd.**

The Trustee-Manager, Dasin Retail Trust Management Pte. Ltd., was incorporated in Singapore under the Companies Act, Chapter 50 of Singapore (the “Companies Act”) on 14 August 2015. It has an issued and paid-up share capital of S$505,001. Its registered office is located at 8 Marina Boulevard #14-02 Marina Bay Financial Centre Tower 1 Singapore 018981 and its telephone and facsimile numbers are (65) 6509 8626 and (65) 6509 8625 respectively. The Trustee-Manager is wholly-owned by Mr. Zhang Zhencheng and Shun Fung Investment Limited¹, who and which hold 99.0% and 1.0% of the interests in the Trustee-Manager respectively.

¹ Shun Fung Investment Limited, a company incorporated in the Macau Special Administrative Region of Mainland China, is wholly-owned by Mr. Zhang Zhencheng.
The Trustee-Manager is generally responsible for Dasin Retail Trust's investment and financing strategies, asset acquisition and divestment policies and the overall management of Dasin Retail Trust's investments and assets. The Trustee-Manager will also set the strategic direction and is responsible for the risk management of Dasin Retail Trust.

The Trustee-Manager will ensure that there is no overlap of roles, duties and responsibilities between each of the Trustee-Manager, the Rental Management Companies, the Property Manager and the Commercial Manager.

(See “The Trustee-Manager – The Trustee-Manager of Dasin Retail Trust – Roles and Responsibilities of the Trustee-Manager” of this Prospectus for further details.)

**The Sponsor: Zhongshan Dasin Real Estate Co., Ltd. (中山市大信置业有限公司)**

The Sponsor was established on 13 July 2001 in Zhongshan City, Guangdong Province, PRC, and is a large-scale private enterprise wholly-owned by the Zhang Vendors. The Sponsor Group’s principal business is focused on the development and management of real estate, including the development and operation of retail malls, hotels, educational facilities and residential properties. The Sponsor Group has mainly been involved in the construction and development of various real estate projects in Zhongshan. Over the past 15 years, the Sponsor has established itself as one of the leading developers in Zhongshan, winning a number of national-level industry awards. The Sponsor has been ranked among the “China’s Top 10 Commercial Real Estate Development Companies” for the last five consecutive years.

For the financial year ended 31 December 2015, the Sponsor recorded a net profit of approximately RMB 21.4 million and as at 31 December 2015 has a total asset value of approximately RMB 3.9 billion and cash balance of approximately RMB 113.7 million.

(See “The Sponsor” of this Prospectus for further details.)

**The Property Manager: Zhongshan Jixin Property Management Co., Ltd., Shiqi Branch (中山市基信物业管理有限公司石岐分公司)**

The Property Manager was incorporated in PRC in 1996 and has been providing property management services since 1996. It is an independent third party unrelated to the Sponsor or the Zhang Family. The Property Manager is the property management arm of Zhongshan Jixin Real Estate Group and has the Grade 1 property management qualification (国家一级物业管理资质) required of property management companies in PRC. The Property Manager has experience in managing various properties, including government buildings, financial offices, shopping malls and residential estates. The Property Manager has been awarded the ISO 9001:2008 Quality Management System Certification, the ISO14001:2004 Environmental Management System Certification and OHSAS18001:2007 Occupational Health and Safety Management System Certification.

On 1 January 2016, the Property Manager was appointed as the property manager of the Properties pursuant to the respective property management agreements entered into between the Property Manager and each of the Rental Management Companies and Zhongshan Yuanxin Commercial Property Management Co., Ltd. (the “Property Management Agreements”). Under the respective Property Management Agreements, the Property Manager will provide property management services to the Properties, which will include the overall management of, maintenance and repair of the structure and utilities of the Properties, the formulation of mall operation and management regulations and the rectification of any defects that violate building and safety regulations.
The Property Manager reports to the Trustee-Manager and provides property management services to the Properties pursuant to the Property Management Agreements, subject to the overall management and supervision of the Trustee-Manager.

(See “The Trustee-Manager – The Property Manager of the Properties” of this Prospectus for further details.)

**The Commercial Manager: Zhongshan Commercial Property Management Co., Ltd. (中山市大信商用物业管理有限公司)**

The Commercial Manager, which is wholly-owned by the Zhang Vendors, was incorporated in PRC on 14 September 2015.

On 31 December 2015, the Commercial Manager was appointed as the commercial manager of the Properties pursuant to the respective commercial management agreements entered into between the Commercial Manager and each of the Rental Management Companies and Zhongshan Yuanxin Commercial Property Management Co., Ltd. (the “Commercial Management Agreements”). Under the respective Commercial Management Agreements, the Commercial Manager will provide marketing services to the Properties.

The Commercial Manager reports to the Trustee-Manager through its relevant subsidiaries, Xiaolan Xinduhui, Yicai Xindhui, and Zhongshan Yuanxin and provides marketing and promoting services to the Properties pursuant to the Commercial Management Agreements, subject to the overall management and supervision of the Trustee-Manager.

(See “The Trustee-Manager – The Commercial Manager of the Properties” of this Prospectus for further details.)
STRUCTURE OF DASIN RETAIL TRUST AS AT THE LISTING DATE

The following diagram illustrates the relationship between Dasin Retail Trust, the Trustee-Manager, the Singapore Holdco, the Singapore Holding Companies, the PRC Property Companies, the Property Manager, the Commercial Manager, the Rental Management Companies and the Unitholders as at the Listing Date following the completion of the steps taken by Dasin Retail Trust to acquire the Properties as set out below:
## CERTAIN FEES AND CHARGES

The following is a summary of the amount of certain fees and charges payable by the Unitholders in connection with the subscription for or trading of the Units (so long as the Units are listed):

<table>
<thead>
<tr>
<th>Payable by the Unitholders directly</th>
<th>Amount payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Subscription fee or preliminary charge</td>
<td>N.A.(^{(1)})</td>
</tr>
<tr>
<td>(b) Realisation fee</td>
<td>N.A.(^{(1)})</td>
</tr>
<tr>
<td>(c) Switching fee</td>
<td>N.A.(^{(1)})</td>
</tr>
<tr>
<td>(d) Any other fee</td>
<td>Investors in the Placement Tranche may be required to pay a brokerage fee of up to 1.0% of the Offering Price. For trading of the Units, investors will pay prevailing brokerage commissions (if applicable) in addition to a clearing fee and a trading fee at the rate of 0.0325% and 0.0075% of the transaction value respectively, for trading of Units on the SGX-ST, subject to Goods and Services Tax (&quot;GST&quot;) chargeable thereon. An administration fee is payable for each application made through automated teller machines (&quot;ATM&quot;) and the internet banking websites of the Participating Banks (as defined herein).</td>
</tr>
</tbody>
</table>

**Note:**

(1) As the Units will be listed and traded on the SGX-ST, and Unitholders will have no right to request that the Trustee-Manager redeem their Units while the Units are listed, no subscription fee, preliminary charge, realisation fee or switching fee is payable in respect of the Units.

The following is a summary of certain fees and charges payable by Dasin Retail Trust in connection with the establishment and ongoing management and operation of Dasin Retail Trust.

<table>
<thead>
<tr>
<th>Payable by Dasin Retail Trust</th>
<th>Amount payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Management Fee (payable to the Trustee-Manager)</td>
<td><strong>Base Fee</strong></td>
</tr>
</tbody>
</table>
|                               | The Trustee-Manager shall be entitled to receive for its own account out of the trust property of Dasin Retail Trust\(^{1}\) (the "Trust Property") a base fee (the "Base Fee") calculated at a rate in accordance with the formula below:
|                               | (i) if the value of the Trust Property is less than or equal to S$10.0 billion, the Base Fee will be 0.25% per annum of the value of the Trust Property; and |
|                               | (ii) if the value of the Trust Property is greater than S$10.0 billion, the Base Fee will be (a) 0.25% per annum of the value of the Trust Property up to S$10.0 billion; plus (b) 0.20% per annum of the value of the Trust Property which exceeds S$10.0 billion, |
|                               | and paid quarterly. |

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\(^{1}\) "Trust Property" has the same meaning ascribed to it in the BTA.
For the purposes of calculating the Base Fee only, the value of the Trust Property shall not include the value of the investments in vacant land and uncompleted property\(^1\) developments by Dasin Retail Trust. For the avoidance of doubt, the land costs of such uncompleted property development will not be included in the computation of value of the Trust Property for the purposes of calculating the Base Fee.

**Performance Fee**

The Trustee-Manager shall be entitled to receive for its own account out of the Trust Property a performance fee ("Performance Fee") calculated at a rate of 25.0% of the difference in DPU in a financial year with the DPU in the preceding full financial year (calculated before accounting for the Performance Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

The Performance Fee is payable if the DPU of Dasin Retail Trust in any financial year exceeds the DPU of Dasin Retail Trust in the preceding full financial year, notwithstanding that the DPU of Dasin Retail Trust in the financial year where the Performance Fee is payable may be less than the DPU in any financial year prior to the preceding full financial year\(^2\).

For illustrative purposes only, the following sets out an example of the computation of the Performance Fee based on an assumed DPU of Dasin Retail Trust of 5.00 cents for Year 1 and 5.10 cents for Year 2 and a weighted average number of Units of 1,000,000,000:

<table>
<thead>
<tr>
<th>Year</th>
<th>DPU (S$ cents)(^{(1)})</th>
<th>Weighted average number of Units (million)</th>
<th>Performance Fee (S$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>5.00</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Year 2</td>
<td>5.10</td>
<td>1,000</td>
<td>0.25(^{(2)})</td>
</tr>
</tbody>
</table>

**Notes:**

1. Calculated before accounting for the Performance Fee in the financial year.
2. The Performance Fee is calculated based on the following computation: \((0.051 – 0.050) \times 1,000,000,000 \times 25.0\%\).

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\(^{1}\) An “uncompleted property” is one that has not been granted a temporary occupation permit or equivalent by the relevant authorities.

\(^{2}\) As an illustration, if the DPU is 5.20 cents in Year 1, 5.10 cents in Year 2 and 5.15 cents in Year 3, Performance Fee is payable in relation to Year 3 as the DPU for Year 3 exceeds Year 2, notwithstanding that the DPU for Year 3 is less than the DPU for Year 1.
For the purpose of the computation of the Performance Fee only, the DPU shall be calculated based on all income of Dasin Retail Trust arising from the operations of Dasin Retail Trust, such as, but not limited to, rentals, interest, dividends, and other similar payments or income arising from the Authorised Investments (as defined in the BTA) of Dasin Retail Trust, but shall exclude any one-off receipts by Dasin Retail Trust, such as any gain arising from any sale or disposal of (i) any real estate (whether directly or indirectly through SPVs or any part thereof), and (ii) any investments forming part of the value of the Trust Property or any part thereof\(^1\).

No Performance Fee is payable for Forecast Year 2017. For Projection Year 2018, the difference in DPU shall be the difference in actual DPU in Projection Year 2018 with the corresponding projected DPU as set out in “Profit Forecast and Profit Projection”.

The Base Fees and Performance Fees (collectively, the “Management Fee”) are payable to the Trustee-Manager in the form of cash and/or Units in such proportion as may be determined by the Trustee-Manager.

For Forecast Year 2017 and Projection Year 2018, the Trustee-Manager has elected to receive 100.0% of the Management Fee in Units.

<table>
<thead>
<tr>
<th>Payable by Dasin Retail Trust</th>
<th>Amount payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) Trustee Fee (payable to the Trustee-Manager)</td>
<td>The trustee fee shall not exceed 0.02% per annum of the value of the Trust Property, excluding out of pocket expenses and GST, and paid quarterly (the “Trustee Fee”).</td>
</tr>
</tbody>
</table>

The Trustee Fee is payable to the Trustee-Manager in the form of cash and/or Units in such proportion as may be determined by the Trustee-Manager.

For Forecast Year 2017 and Projection Year 2018, the Trustee-Manager has elected to receive 100.0% of the Trustee Fee in Units.

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\(^1\) The rationale for computing the DPU in the manner described above is to ensure that the measure of the Trustee-Manager’s performance is based on the recurring income of Dasin Retail Trust arising from the operations as opposed to one-off receipt or gain such as a sale or disposal of assets which may skew the DPU in a relevant financial year.
<table>
<thead>
<tr>
<th>Payable by Dasin Retail Trust</th>
<th>Amount payable</th>
</tr>
</thead>
</table>
| (c) Any other substantial fee or charge (i.e. 0.1% or more of the Trust Property) | The Trustee-Manager shall be entitled to receive for its own account out of the Trust Property an acquisition fee calculated at a rate not exceeding 0.75% for acquisitions from Related Parties¹ and 1.0% for all other acquisitions of each of the following as is applicable (subject to there being no double-counting):

(i) in the case of an acquisition of real estate, the acquisition price of such real estate purchased by Dasin Retail Trust, whether directly or indirectly through one or more special purpose vehicles (plus any other payments² in addition to the acquisition price made by Dasin Retail Trust or its special purpose vehicles to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of Dasin Retail Trust's interest);

(ii) in the case of an acquisition of the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value of such real estate which is taken into account when computing the acquisition price payable for the equity interests of such vehicle holding directly or indirectly the real estate purchased by Dasin Retail Trust, whether directly or indirectly through one or more special purpose vehicles (plus any other payments made by Dasin Retail Trust or its special purpose vehicles to the vendor in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of Dasin Retail Trust's interest); or

(iii) the acquisition price of any other asset forming a part of the Trust Property acquired by the Trustee-Manager on behalf of Dasin Retail Trust.

The acquisition fee is payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect, and in such proportion as may be determined by the Trustee-Manager) at the prevailing marking price.

No acquisition fee is payable for the acquisition of the Initial Portfolio and Shiqi Metro Mall. For the avoidance of doubt, acquisition fees will be payable for the acquisition of the Doumen Metro Mall Development Project.

The acquisition fee is payable as soon as practicable on or after completion of the acquisition.

Any payment to third party agents or brokers in connection with the acquisition of any asset of Dasin Retail Trust shall be paid by the Trustee-Manager to such persons out of the Trust Property or the assets of the relevant special purpose vehicle, and not out of the acquisition fee received or to be received by the Trustee-Manager.

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¹ “Related Party” refers to an “interested person” as defined in the Listing Manual.

² “other payments” refer to additional payments to the vendor of the asset, for example, where the vendor has already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but “other payments” do not include stamp duty or other payments to third party agents and brokers.
<table>
<thead>
<tr>
<th>Payable by Dasin Retail Trust</th>
<th>Amount payable</th>
</tr>
</thead>
</table>
| (ii) Divestment Fee (payable to the Trustee-Manager) | The Trustee-Manager shall be entitled to receive for its own account out of the Trust Property a divestment fee calculated at a rate not exceeding 0.5% of each of the following as is applicable (subject to there being no double-counting):

(i) the sale price of real estate sold or divested, whether directly or indirectly through one or more special purpose vehicles, by Dasin Retail Trust (plus any other payments in addition to the sale price received by Dasin Retail Trust or its special purpose vehicles from the purchaser in connection with the sale or divestment of the real estate) (pro-rated, if applicable, to the proportion of Dasin Retail Trust’s interest);

(ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate sold or divested, whether directly or indirectly through one or more special purpose vehicles, by Dasin Retail Trust (plus any other payments received by Dasin Retail Trust or its special purpose vehicles from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated, if applicable to the proportion of Dasin Retail Trust’s interest); or

(iii) the sale price of any other asset forming a part of the Trust Property sold or divested by the Trustee-Manager on behalf of Dasin Retail Trust.

The divestment fee is payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect, and in such proportion as may be determined by the Trustee-Manager) at the prevailing market price.

The divestment fee is payable as soon as practicable after completion of the sale or disposal.

Any payment to third party agents or brokers in connection with the divestment of any asset of Dasin Retail Trust shall be paid by the Trustee-Manager to such persons out of the Trust Property or the assets of the relevant special purpose vehicle, and not out of the divestment fee received or to be received by the Trustee-Manager.

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1 “other payments” refer to additional payments to Dasin Retail Trust or its special purpose vehicles for the sale of the asset, for example, where Dasin Retail Trust or its special purpose vehicles have already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the sale price as the asset enhancements are not completed, but “other payments” do not include stamp duty or other payments to third party agents and brokers.
The Property Manager and the Commercial Manager will be entitled to the following fees payable out of the Trust Property:

**Property and Commercial Management Fee**

A property and commercial management fee of 2.0% of the monthly Gross Revenue\(^1\) of the relevant property, and paid monthly, comprising the property management fees of 1.0% payable to the Property Manager for its property management services provided to the properties in Dasin Retail Trust’s portfolio and the commercial management fees of 1.0% payable to the Commercial Manager for its marketing services provided to the properties in Dasin Retail Trust’s portfolio, in the form of cash (the “Property and Commercial Management Fee”).

(See “Certain Agreements relating to Dasin Retail Trust and the Properties – Property Management Agreements” and “Certain Agreements relating to Dasin Retail Trust and the Properties – Commercial Management Agreements” of this Prospectus for details of the fees payable to the Property Manager and the Commercial Manager.)

In addition, the Commercial Manager may be entitled to the following fees:

**Lease-up Commission**

A one-time fee of two months’ gross rent for buildings undergoing major asset enhancement and/or renovation works. This lease-up commission will be paid to the Commercial Manager in the form of cash.

For the avoidance of doubt, no lease-up commission will be received if no commitment is received in respect of a unit in any building undergoing major asset enhancement and/or renovation works for a minimum lease term of two years. The one-time lease-up commission is only applicable to newly completed buildings or buildings undergoing major addition and alteration works. The basis for the one-time lease-up commission is that for such buildings, the Commercial Manager would have to carry out the following: (i) work with the architects and other consultants on the layout of the retail outlets, and internal circulation as well as relevant amenities to be provided; (ii) conduct market surveys to understand the needs and wants of the shoppers; (iii) mapping out more positioning for the relevant mall based on results obtained in (ii); (iv) creating a leasing plan, including the budgeted rents/target returns for the owner; (v) conduct major leasing exercises to market and negotiate with the prospective tenants; and (vi) to follow up with the relevant lease administrative duties.

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\(^1\) “Gross Revenue” consists of (i) Gross Rental Income (as defined herein) and (ii) other operating income generated from the relevant property.
<table>
<thead>
<tr>
<th>Payable by Dasin Retail Trust</th>
<th>Amount payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>(iv) Development Management Fee (payable to third party development managers)</td>
<td><strong>Development Management Fee payable to third party development managers</strong></td>
</tr>
</tbody>
</table>

In the event that the Trustee-Manager, or any subsidiary of Dasin Retail Trust, at the recommendation of the Trustee-Manager, appoints a development manager (including related entities of the Trustee-Manager or the Sponsor) to provide development management services in respect of any asset of Dasin Retail Trust, such development manager shall be entitled to receive 3.5% of the total costs of development (excluding cost of land, interest on capital cost or development loans during the development period and the cost of money required to carry out the development) out of the Trust Property for any development, re-development, refurbishment, retrofitting, addition and alteration or renovation works to the relevant property, and paid quarterly (the “**Development Management Fee**”).

The development management services provided in consideration of the Development Management Fee will include taking oversight of all phases of the development process in respect of any asset of Dasin Retail Trust, from the project advisory and feasibility planning to the project completion. In particular, as part of the development management, the development manager may undertake development feasibility studies as well as development advisory services.
THE OFFERING

Dasin Retail Trust  
Dasin Retail Trust, a business trust established in Singapore and constituted by the Trust Deed.

The Trustee-Manager  
Dasin Retail Trust Management Pte. Ltd., in its capacity as the trustee-manager of Dasin Retail Trust.

The Sponsor  
Zhongshan Dasin Real Estate Co., Ltd. (中山市大信置业有限公司)

The Offering  
151,768,900 Units offered under the Placement Tranche and the Public Offer (subject to the Over-Allotment Option).

The Placement Tranche  
149,768,900 Units offered by way of an international placement to investors, including institutional and other investors in Singapore. The Units have not been and will not be registered under the Securities Act and, accordingly, may not be offered or sold within the United States, except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. The Units are being offered and sold in offshore transactions (as defined in Regulation S) outside the United States in reliance on Regulation S.

The Public Offer  
2,000,000 Units offered by way of a public offer in Singapore.

Clawback and Re-allocation  
The Units may be re-allocated between the Placement Tranche and the Public Offer at the sole discretion of the Sole Financial Adviser, Global Coordinator and Issue Manager, provided that the minimum unitholding by the public and distribution spread requirements of the SGX-ST are met.

Aqua Wealth Units and Sino-Ocean Units  
Immediately prior to the date of this Prospectus, Aqua Wealth will hold 337,642,752 Units and Bounty Way will hold 28,944,679 Units.

Cornerstone Units  
Concurrently with, but separate from the Offering, each of China Orient Asset Management (International) Holding Limited and Haitong International Investment Fund SPC, acting on behalf and for the account of Haitong International Investment Fund SPC – Fund I SP (the "Cornerstone Investors") has entered into Cornerstone Subscription Agreements with the Trustee-Manager pursuant to which they have agreed to pay investment amounts which shall be applied towards subscription of an aggregate S$25.0 million of Cornerstone Units at the Offering Price, conditional upon, among other things, the Underwriting Agreement having been entered into and not having been terminated pursuant to its terms on or prior to the Listing Date.

(See “Ownership of the Units – Information on the Cornerstone Investors” of this Prospectus for further details.)
<table>
<thead>
<tr>
<th><strong>Offering Price</strong></th>
<th>S$0.80 per Unit.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subscription for Units in the Public Offer</strong></td>
<td>Investors applying for Units by way of Application Forms or Electronic Applications (both as referred to in “Appendix G – Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore” of this Prospectus) in the Public Offer will pay the Offering Price on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case, without interest or any share of revenue or other benefit arising therefrom) where:</td>
</tr>
<tr>
<td>(i)</td>
<td>an application is rejected or accepted in part only; or</td>
</tr>
<tr>
<td>(ii)</td>
<td>if the Offering does not proceed for any reason.</td>
</tr>
<tr>
<td>For illustrative purposes, an investor who applies for 1,000 Units by way of an Application Form or an Electronic Application under the Public Offer will have to pay S$800.00, which is subject to a refund of the full amount or the balance thereof (without interest or any share of revenue or other benefit arising therefrom), as the case may be, upon the occurrence of any of the foregoing events.</td>
<td></td>
</tr>
<tr>
<td>The minimum initial subscription is for 1,000 Units. An applicant may subscribe for a larger number of Units in integral multiples of 100.</td>
<td></td>
</tr>
<tr>
<td><strong>Unit Lenders</strong></td>
<td>Aqua Wealth and Bounty Way</td>
</tr>
<tr>
<td><strong>Over-Allotment Option</strong></td>
<td>In connection with the Offering, the Joint Bookrunners and Underwriters have been granted the Over-Allotment Option by each of the Unit Lenders. The Over-Allotment Option is exercisable by the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager), at its sole discretion, in full or in part, on one or more occasions, only from the Listing Date but no later than the earliest of (i) the date falling 30 days from the Listing Date; or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) has bought, on the SGX-ST, an aggregate of 9,343,300 Units, representing approximately 6.2% of the total number of Units in the Offering, to undertake stabilising actions to purchase up to an aggregate of 9,343,300 Units (representing approximately 6.2% of the total number of Units in the Offering), at the Offering Price. Unless indicated otherwise, all information in this document assumes that the Over-Allotment Option is not exercised. (See “Plan of Distribution” of this Prospectus for further details.)</td>
</tr>
</tbody>
</table>
The total number of Units in issue immediately after the close of the Offering will be 549,606,331 Units. The exercise of the Over-Allotment Option will not increase this total number of Units in issue. The total number of Units subject to the Over-Allotment Option will not exceed 6.2% of the total number of Units in the Offering.

**Lock-ups**

Each of Zhang Zhencheng (as the guardian of Zhang Chon Meng, the sole beneficiary of the Zhang Family Trust), Aqua Wealth and the Family Trustee has agreed to (i) a lock-up arrangement during the period commencing from the Listing Date until the date falling six months thereafter (both dates inclusive) (the "First Lock-up Period") in respect of all of the Units which will be legally or beneficially held by each of Zhang Chon Meng, Aqua Wealth and the Family Trustee on the Listing Date (the "Lock-up Units") and (ii) a lock-up arrangement during the period commencing from the day immediately following the First Lock-up Period until the date falling six months after the First Lock-up Period (both dates inclusive) (the "Second Lock-up Period") in respect of each of Zhang Chon Meng's, Aqua Wealth's and the Family Trustee's effective interest in 50.0% of the Lock-up Units, subject to certain exceptions.

The Trustee-Manager has also undertaken, among others, not to offer, issue or contract to issue any Units, or make any announcements in connection with any of the foregoing transactions, during the First Lock-Up Period, subject to certain exceptions.

Pursuant to the Distribution Waiver Undertakings, each of Aqua Wealth and Bounty Way has also agreed to the Distribution Waiver Lock-up pursuant to which each of Aqua Wealth and Bounty Way has irrevocably and unconditionally undertaken to remain as the holder of, and will not create encumbrances over, the Lock-up Distribution Units for the Distribution Waiver Period.

The restrictions in the Distribution Waiver Lock-up provided by Bounty Way do not apply to the transfer of its Lock-up Distribution Units to Aqua Wealth and/or one of Aqua Wealth's wholly-owned subsidiaries, at any time from the date falling one year after the Listing Date, provided that such transferee executes and delivers an undertaking to the Trustee-Manager that it will comply with the Distribution Waiver Undertaking till the end of the Distribution Waiver Period.

The Cornerstone Investors are not subject to any lock-up restrictions in respect of their Unitholdings.

(See “Plan of Distribution – Lock-up Arrangements” of this Prospectus for further details.)
| **Capitalisation** | Approximately S$439.7 million (based on the Offering Price). (See “Capitalisation and Indebtedness” of this Prospectus for further details.) |
| **Use of Proceeds** | (See “Use of Proceeds” and “Certain Agreements Relating to Dasin Retail Trust and the Properties” of this Prospectus for further details.) |
| **Listing and Trading** | Prior to the Offering, there was no market for the Units. Application has been made to the SGX-ST for permission to list on the Main Board of the SGX-ST: |
|  | • all the Aqua Wealth Units; |
|  | • all the Sino-Ocean Units; |
|  | • all the Units comprised in the Offering; |
|  | • all the Cornerstone Units; and |
|  | • all the Units which will be issued to the Trustee-Manager from time to time in full or part payment of the Trustee-Manager’s fees (including Units which may be issued to the Trustee-Manager in payment of its acquisition fees and divestment fees). (See “The Trustee-Manager – Fees Payable to the Trustee-Manager” of this Prospectus for further details.) |
|  | Such permission will be granted when Dasin Retail Trust is admitted to the Official List of the SGX-ST. |
|  | The Units will, upon their issuance, be listed and quoted on the SGX-ST and will be traded in Singapore dollars under the book-entry (scripless) settlement system of The Central Depository (Pte) Limited (“CDP”). The Units will be traded in board lot sizes of 100 Units. |
| **Stabilisation** | In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may, at its sole discretion, over-allot or effect transactions which stabilise or maintain the market price of the Units at levels which might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations (including the SFA and any regulations thereunder). |
Such transactions may commence on or after the date of commencement of trading in the Units on the SGX-ST and, if commenced, may be discontinued at any time and shall not be effected after the earliest of (i) the date falling 30 days from the commencement of trading in the Units on the SGX-ST or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) has bought on the SGX-ST an aggregate of 9,343,300 Units representing approximately 6.2% of the total number of Units in the Offering, to undertake stabilising actions. (See “Plan of Distribution – Over-Allotment and Stabilisation” of this Prospectus for further details.)

No Redemption by Unitholders

Unitholders have no right to request that the Trustee-Manager redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their listed Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

Leverage Limit

Up to 60.0% of the value of the Trust Property as set out in the Trust Deed.

The Trustee-Manager intends to employ an appropriate mix of debt and equity in the financing of acquisitions and property enhancements, as well as utilise hedging strategies where appropriate to optimise risk-adjusted returns to the Unitholders. Dasin Retail Trust will maintain a conservative capital structure with aggregate leverage not exceeding 60.0% of its Trust Property. The Trustee-Manager believes that with this 60.0% leverage limit, it can achieve a long-term aggregate leverage which is in line with and supportive of the primary objectives of maximising returns on equity invested, maintaining flexibility for Dasin Retail Trust's funding requirements and adhering to a prudent risk profile.

Development Limit

In accordance with the Trust Deed, the total contract value of property development activities undertaken and the value of the investments in uncompleted property developments by Dasin Retail Trust (the “Development Component”) shall not exceed 40.0% of the value of the Trust Property and shall be calculated as follows:

Development Component = A/B x 100.0%

Where:

“A” = the total contract value of property development activities undertaken and the Value (as defined in the Trust Deed) of the investments in uncompleted property developments by Dasin Retail Trust;

“B” = the Value (as defined in the Trust Deed) of the Trust Property plus “A” (without double-counting)
The Trustee-Manager believes that with this 40.0% development limit, it can, through the development manager, undertake development activities to deliver incremental returns to Unitholders, while mitigating construction and leasing risks.

### Distribution Policy

Dasin Retail Trust has adopted the following policy in respect of distributions to be made to Unitholders out of Distributable Income (as defined herein):

(i) in respect of Forecast Year 2017 and Projection Year 2018, the Trustee-Manager shall make distributions of 100.0% of Distributable Income to Unitholders; and

(ii) in respect of FY2019 and onwards, the Trustee-Manager shall make distributions of at least 90.0% of Distributable Income to Unitholders.

(See “Distributions” of this Prospectus for further details.)

### Waiver of Entitlement to the Distributions

Each of Aqua Wealth and Bounty Way has provided the Trustee-Manager with the Distribution Waiver Undertaking, pursuant to which they shall waive a portion of their entitlements to distributions from Dasin Retail Trust over the Distribution Waiver Period. As the rental levels for the Initial Portfolio is expected to increase to a level that is comparable to the market rate over time, the percentages and number of Units held by Aqua Wealth and Bounty Way which will not be entitled to distributions will decrease over time, as set out below:

<table>
<thead>
<tr>
<th>As a % of Total Outstanding Units as at the Listing Date</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Units held by Aqua Wealth and Bounty Way, as at the Listing Date, which will not be entitled to Distributions (Assuming Over-Allotment Option is not exercised)</td>
<td>55.0%</td>
<td>48.0%</td>
<td>45.0%</td>
<td>35.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td>% of Units held by Aqua Wealth and Bounty Way, as at the Listing Date, which will not be entitled to Distributions (Assuming Over-Allotment Option is exercised)</td>
<td>84.6%</td>
<td>73.8%</td>
<td>69.2%</td>
<td>53.8%</td>
<td>23.1%</td>
</tr>
<tr>
<td>Number of Units which will not be entitled to Distributions</td>
<td>302,283,481</td>
<td>263,811,038</td>
<td>247,322,848</td>
<td>192,362,214</td>
<td>82,440,948</td>
</tr>
<tr>
<td>Section</td>
<td>Description</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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<td></td>
</tr>
<tr>
<td>Singapore Tax Considerations</td>
<td>Distributions made by Dasin Retail Trust, which is registered under the BTA, are exempt from Singapore income tax in the hands of all Unitholders. These distributions are also not subject to Singapore withholding tax. Unitholders are not entitled to tax credits in Singapore for any taxes paid by the Trustee-Manager on the income of Dasin Retail Trust. (See “Taxation” of this Prospectus for further details.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Termination of Dasin Retail Trust</td>
<td>Dasin Retail Trust can be terminated by either an Extraordinary Resolution at a Unitholders’ meeting duly convened and held in accordance with the provisions of the Trust Deed or by the Trustee-Manager under certain circumstances specified in the Trust Deed, for example, if Dasin Retail Trust is delisted permanently from the SGX-ST. (See “The Formation and Structure of Dasin Retail Trust – Winding-up” of this Prospectus for further details.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governing Law</td>
<td>The Trust Deed, pursuant to which Dasin Retail Trust was constituted, is governed by Singapore law.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commission Payable by Dasin Retail Trust to the Joint Bookrunners and Underwriters</td>
<td>The aggregate of the underwriting, selling and management commission and incentive fee (which is payable at the sole discretion of the Trustee-Manager) payable to the Joint Bookrunners and Underwriters amounts to a maximum of 3.25% of the total gross proceeds raised from the Offering (based on the Offering Price) and the issuance of the Cornerstone Units (assuming the Over-Allotment Option is not exercised). (see “Use of Proceeds – Issue Expenses and Other Transaction Costs”) (See “Plan of Distribution” of this Prospectus for further details.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk Factors</td>
<td>Prospective investors should carefully consider certain risks connected with an investment in the Units, as discussed under “Risk Factors” of this Prospectus.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
An indicative timetable for the Offering is set out below for the reference of applicants for the Units:

<table>
<thead>
<tr>
<th>Date and time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 January 2017, 9.00 p.m.</td>
<td>Opening date and time for the Public Offer.</td>
</tr>
<tr>
<td>18 January 2017, 12.00 noon</td>
<td>Closing date and time for the Public Offer.</td>
</tr>
<tr>
<td>19 January 2017</td>
<td>Balloting of applications under the Public Offer, if necessary. Commence returning or refunding of application monies to unsuccessful or partially successful applicants, if necessary.</td>
</tr>
<tr>
<td>20 January 2017, 2.00 p.m.</td>
<td>Commence trading on a “ready” basis.</td>
</tr>
</tbody>
</table>

The above timetable is indicative only and is subject to change. It assumes:

- that the closing of the list of applicants subscribing for Units which are the subject of the Public Offer (the “Application List”) is 18 January 2017, 12.00 noon;
- that the Listing Date is 20 January 2017;
- compliance with the SGX-ST’s unitholding spread requirement; and
- that the Units will be issued and fully paid up prior to 2.00 p.m. on 20 January 2017.

All dates and times referred to above are Singapore dates and times.

Trading in the Units through the SGX-ST on a “ready” basis is expected to commence at 2.00 p.m. on 20 January 2017 (subject to the SGX-ST being satisfied that all conditions necessary for the commencement of trading in the Units through the SGX-ST on a “ready” basis have been fulfilled). There will be no trading of the Units through the SGX-ST on a “when-issued” basis.

If (a) the Trustee-Manager is terminated under the circumstances specified in the Trust Deed, (b) the conditions of the Underwriting Agreement are not satisfied or waived or (c) the Underwriting Agreement is terminated in accordance with its terms, the Offering will not proceed and the application monies will be returned in full (without interest or any share of revenue or other benefit arising therefrom and at each applicant’s own risk and without any right or claim against Dasin Retail Trust, the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager or the Joint Bookrunners and Underwriters).

In the event of any early or extended closure of the Application List or the shortening or extension of the time period during which the Offering is open, the Trustee-Manager will publicly announce the same:

- via SGXNET, with the announcement to be posted on the internet at the SGX-ST website http://www.sgx.com; and
- in one or more major Singapore newspapers, such as The Straits Times, The Business Times and Lianhe Zaobao.
For the actual date on which trading on a “ready” basis will commence, investors should monitor SGXNET, the newspapers, or check with their brokers.

The Trustee-Manager will provide details and results of the Public Offer through SGXNET and in one or more major Singapore newspapers, such as The Straits Times, The Business Times and Lianhe Zaobao.

The Trustee-Manager reserves the right to reject or accept, in whole or in part, or to scale-down or ballot any application for Units, without assigning any reason for it. No enquiry and/or correspondence on the decision of the Trustee-Manager will be entertained. In deciding the basis of allotment, due consideration will be given to the desirability of allotting the Units to a reasonable number of applicants with a view to establishing an adequate market for the Units.

Where an application under the Public Offer is rejected or accepted in part only or if the Offering does not proceed for any reason, the full amount of or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his or her own risk, and without any right or claim against Dasin Retail Trust, the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager or the Joint Bookrunners and Underwriters, provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in “Appendix G – Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore” of this Prospectus.

Where an application under the Public Offer is unsuccessful, the return of the full amount of the application monies (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his or her own risk, and without any right or claim against Dasin Retail Trust, the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager or the Joint Bookrunners and Underwriters, is expected to be completed within 24 hours after balloting, provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in “Appendix G – Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore” of this Prospectus.

Where an application under the Public Offer is accepted or rejected in full or in part only, any balance of the application monies, will, within 14 Market Days after the close of the Offering, be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his or her own risk, and without any right or claim against Dasin Retail Trust, the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager or the Joint Bookrunners and Underwriters, provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in “Appendix G – Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore” of this Prospectus.

Where the Offering does not proceed for any reason, the full amount of application monies under the Public Offer (without interest or any share of revenue or other benefit arising therefrom) will, within three Market Days after the Offering is discontinued, be returned to the applicants, at his or her own risk, and without any right or claim against Dasin Retail Trust, the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager or the Joint Bookrunners and Underwriters, provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in “Appendix G – Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore” of this Prospectus.
The Trustee-Manager is unable to prepare the audited financial statements of the respective Properties in the pro forma group for the following reasons:

- Ocean Metro Mall and Dasin E-Colour only recently commenced operations in end December 2014 and May 2015 respectively. Given that Ocean Metro Mall had only been in operations for four days in FY2014, and that Dasin E-Colour had only commenced operations in May 2015, there is limited operating information relating to these Properties.

- Separate stand alone historical financial information is also not available for Xiaolan Metro Mall and Dasin E-Colour and the basis for comparison had changed substantially. Historically, both Xiaolan Metro Mall and Dasin E-Colour were held under Dasin Management and Investment, a wholly-owned subsidiary of the Zhang Vendors. Dasin Management and Investment also holds two other properties which have not been injected into Dasin Retail Trust (the “Excluded Assets”). On Listing, the holding structure of the Initial Portfolio is different from the historical holding structure. Xiaolan Metro Mall and Dasin E-Colour are each held under separate newly-incorporated PRC Property Companies of Dasin Retail Trust. The historical holding entities of each Property have not been injected into Dasin Retail Trust. As the ownership structure of Xiaolan Metro Mall and Dasin E-Colour and the capital structure of their holding entities have changed with the constitution of Dasin Retail Trust and the transfer of these Properties from the Sponsor to Dasin Retail Trust, it was difficult to obtain separate stand alone historical financial information of these two Properties for the Reporting Accountant, Deloitte & Touche LLP, to re-audit the relevant accounts of these two Properties, since the audited historical financial information of Xiaolan Metro Mall and Dasin E-Colour (including the operating and financing expenses incurred by the Sponsor historically) is commingled with that of the Excluded Assets.

- In addition, the Sponsor had managed and operated all the Properties in the Initial Portfolio and the Excluded Assets such that any (i) surplus cash generated from these Properties and the Excluded Assets were centrally managed by the Sponsor and (ii) the funding requirements of these Properties and the Excluded Assets were centrally arranged and provided by the Sponsor. Hence, cash balances, borrowings, prepayments, payables and the resulting interest income and/or expenses recorded at the Dasin Management and Investment level were not directly attributable to individual Properties or the Excluded Assets. These balances were recorded in Dasin Management and Investment’s account (including those of the Excluded Assets) and the respective direct holding entities of the Properties held by the Zhang Vendors as inter-company receivables and payables. As such, the financial position of each individual Property in each financial year could not be meaningfully discerned as the aggregated balance under this central cash management arrangement was captured at the Dasin Management and Investment and the respective direct holding entities’ level, and from the historical financial statements, it was not clear what the surpluses or liabilities of the individual Properties were for each financial year.
For the reasons stated above, the MAS has granted Dasin Retail Trust a waiver from the requirement to prepare audited financial information of Dasin Retail Trust for the three most recently completed financial years, upon the inclusion of the following information in this Prospectus:

- the unaudited pro forma financial information of the Dasin Retail Trust and its subsidiaries (the “Dasin Retail Trust Group”), comprising the pro forma financial statements of the following:
  
  (i) the comprehensive income of the Dasin Retail Trust Group for the years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016;
  
  (ii) the financial position of the Dasin Retail Trust Group as at 31 December 2015 and 30 June 2016; and
  
  (iii) the cash flows of the Dasin Retail Trust Group for the years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016; and

- a profit forecast for the financial year ending 31 December 2017 and a profit projection for the full financial year ending 31 December 2018, including the financial information of Shiqi Metro Mall on the basis that the acquisition of Shiqi Metro Mall will be completed on 30 June 2017 (See “Profit Forecast and Profit Projection” of this Prospectus).

The SGX-ST has also granted a waiver from Rule 409(3) of the Listing Manual, which requires the annual accounts of Dasin Retail Trust for each of the last three financial years to be submitted to the SGX-ST together with the application to the SGX-ST for the listing of Dasin Retail Trust, subject to inclusion of the abovementioned information in the Prospectus.

The following tables are only an extract from, and should be read together with, “Unaudited Pro Forma Financial Information” of this Prospectus, the report set out in “Appendix B – Reporting Accountant’s Report on the Compilation of the Unaudited Pro Forma Financial Information of Dasin Retail Trust and its subsidiaries for the Financial Years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the Six-Month Periods ended 30 June 2015 and 30 June 2016” of this Prospectus and the information set out in “Appendix C – Unaudited Pro Forma Financial Information” of this Prospectus and the accompanying notes included in that document.

Dasin Retail Trust’s unaudited pro forma financial information has been prepared for illustrative purposes only, required by the provisions set out in the Securities and Futures (Offers of Investment) (Business Trusts) (No. 2) Regulations 2005, and are based on certain assumptions after making certain adjustments to show what:

(i) the financial results of the Dasin Retail Trust Group for the years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month financial periods ended 30 June 2015 and 30 June 2016 would have been had the setting-up of Dasin Retail Trust as a private trust, the Acquisition of the Initial Portfolio, the Listing of Dasin Retail Trust and New Debt Facilities as described in Note 3 to the Unaudited Pro Forma Financial Information (the “Significant Events”) occurred on 1 January 2013;

(ii) the financial position of the Dasin Retail Trust Group as at 31 December 2015 and 30 June 2016 would have been had the Significant Events occurred as at 31 December 2015 and 30 June 2016; and
The unaudited pro forma financial information of the Dasin Retail Trust Group (the “Unaudited Pro Forma Financial Information”), based on the Offering Price of S$0.80 per Unit, is as follows:

**UNAUDITED PRO FORMA STATEMENTS OF COMPREHENSIVE INCOME**

<table>
<thead>
<tr>
<th>Year ended 31 December</th>
<th>Year ended 31 December</th>
<th>Year ended 31 December</th>
<th>Six-month period ended 30 June 2015</th>
<th>Six-month period ended 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
</tr>
<tr>
<td><strong>Gross revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>96,909</td>
<td>102,590</td>
<td>155,566</td>
<td>70,165</td>
</tr>
<tr>
<td><strong>Business and property related tax</strong></td>
<td>(10,382)</td>
<td>(10,899)</td>
<td>(17,899)</td>
<td>(9,058)</td>
</tr>
<tr>
<td><strong>Property and commercial management fees</strong></td>
<td>(1,938)</td>
<td>(2,052)</td>
<td>(3,111)</td>
<td>(1,403)</td>
</tr>
<tr>
<td><strong>Other property operating expenses</strong></td>
<td>(11,796)</td>
<td>(23,101)</td>
<td>(14,111)</td>
<td>(9,753)</td>
</tr>
<tr>
<td><strong>Total property operating expenses</strong></td>
<td>(24,116)</td>
<td>(36,052)</td>
<td>(35,121)</td>
<td>(20,214)</td>
</tr>
<tr>
<td><strong>Net property income</strong></td>
<td>72,793</td>
<td>66,538</td>
<td>120,445</td>
<td>49,951</td>
</tr>
<tr>
<td><strong>Trustee-Manager’s fee</strong></td>
<td>(13,183)</td>
<td>(13,183)</td>
<td>(26,333)</td>
<td>(6,591)</td>
</tr>
<tr>
<td><strong>Other trust expenses</strong></td>
<td>(4,232)</td>
<td>(4,277)</td>
<td>(4,406)</td>
<td>(2,203)</td>
</tr>
<tr>
<td><strong>Finance income</strong></td>
<td>356</td>
<td>60</td>
<td>81</td>
<td>25</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>(57,126)</td>
<td>(57,126)</td>
<td>(57,126)</td>
<td>(28,563)</td>
</tr>
<tr>
<td><strong>(Loss)/Profit before income tax</strong></td>
<td>(1,392)</td>
<td>(7,988)</td>
<td>32,661</td>
<td>12,619</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>(16,588)</td>
<td>(17,078)</td>
<td>(21,649)</td>
<td>(10,120)</td>
</tr>
<tr>
<td><strong>(Loss)/Profit for the year, representing total comprehensive income</strong></td>
<td>(17,980)</td>
<td>(25,066)</td>
<td>11,012</td>
<td>2,499</td>
</tr>
<tr>
<td><strong>(Loss)/Earnings per unit attributable to Unit holders (cents)</strong></td>
<td>(3.27)</td>
<td>(4.56)</td>
<td>2.00</td>
<td>0.45</td>
</tr>
</tbody>
</table>
### UNAUDITED PRO FORMA STATEMENTS OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB'000</td>
<td>RMB'000</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
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<tr>
<td>Cash and cash equivalents</td>
<td>77,000</td>
<td>77,000</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>11,827</td>
<td>13,806</td>
</tr>
<tr>
<td>Available for sale investments</td>
<td>–</td>
<td>12,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>88,827</td>
<td>102,806</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>14,624</td>
<td>16,485</td>
</tr>
<tr>
<td>Investment properties</td>
<td>4,563,000</td>
<td>4,563,000</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>4,252</td>
<td>3,750</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>4,581,876</td>
<td>4,583,235</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>4,670,703</td>
<td>4,686,041</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>36,174</td>
<td>30,241</td>
</tr>
<tr>
<td>Tax payable</td>
<td>5,633</td>
<td>7,464</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>41,807</td>
<td>37,705</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
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<tr>
<td>Borrowing from financial institutions</td>
<td>1,198,900</td>
<td>1,198,900</td>
</tr>
<tr>
<td>Rental deposits</td>
<td>12,320</td>
<td>13,872</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>732,761</td>
<td>732,761</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>1,943,981</td>
<td>1,945,533</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,985,788</td>
<td>1,983,238</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>2,684,915</td>
<td>2,702,803</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unitholders’ funds</td>
<td>2,684,915</td>
<td>2,702,803</td>
</tr>
</tbody>
</table>
### UNAUDITED PRO FORMA STATEMENTS OF CASH FLOWS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Loss)/Profit before income tax</td>
<td>(1,392)</td>
<td>(7,988)</td>
<td>32,661</td>
<td>12,619</td>
<td>35,889</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Write off of accounts receivables</td>
<td>2,380</td>
<td>–</td>
<td>–</td>
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<td></td>
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<tr>
<td>Depreciation of plant and equipment</td>
<td>30</td>
<td>60</td>
<td>641</td>
<td>99</td>
<td>513</td>
</tr>
<tr>
<td>Finance costs</td>
<td>57,126</td>
<td>57,126</td>
<td>57,126</td>
<td>28,563</td>
<td>28,563</td>
</tr>
<tr>
<td>Finance income</td>
<td>(356)</td>
<td>(60)</td>
<td>(81)</td>
<td>(25)</td>
<td>(35)</td>
</tr>
<tr>
<td>Trustee-Manager’s fee paid in units</td>
<td>12,320</td>
<td>12,320</td>
<td>24,611</td>
<td>6,160</td>
<td>6,160</td>
</tr>
<tr>
<td><strong>Operating cash flow before movements in working capital</strong></td>
<td>70,108</td>
<td>61,458</td>
<td>114,958</td>
<td>47,416</td>
<td>71,090</td>
</tr>
<tr>
<td><strong>Changes in working capital:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>(414)</td>
<td>(6,466)</td>
<td>(18,622)</td>
<td>(5,589)</td>
<td>(3,840)</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(33,157)</td>
<td>(31,833)</td>
<td>(44,086)</td>
<td>(21,321)</td>
<td>(10,344)</td>
</tr>
<tr>
<td>Amount due from/(to) Sponsor Group</td>
<td>141,994</td>
<td>20,515</td>
<td>(13,930)</td>
<td>1,127</td>
<td>(1,476)</td>
</tr>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td>178,531</td>
<td>43,674</td>
<td>38,320</td>
<td>21,633</td>
<td>55,430</td>
</tr>
<tr>
<td><strong>Income tax paid</strong></td>
<td>(703)</td>
<td>(2,951)</td>
<td>(1,641)</td>
<td>(1,281)</td>
<td>(3,396)</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>177,822</td>
<td>40,723</td>
<td>36,679</td>
<td>20,352</td>
<td>52,034</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>356</td>
<td>60</td>
<td>81</td>
<td>25</td>
<td>35</td>
</tr>
<tr>
<td>Purchase of plant and equipment</td>
<td>(120)</td>
<td>(2,208)</td>
<td>(416)</td>
<td>(1,972)</td>
<td>(11)</td>
</tr>
<tr>
<td>Deposit paid for acquisition of plant and equipment</td>
<td>–</td>
<td>(2,249)</td>
<td>(18)</td>
<td>(242)</td>
<td>–</td>
</tr>
<tr>
<td>Purchase of available for sale investments</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(12,000)</td>
</tr>
<tr>
<td>Payment for acquisition of Initial Portfolio</td>
<td>(1,343,700)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(1,343,464)</td>
<td>(4,397)</td>
<td>(353)</td>
<td>(2,189)</td>
<td>(11,976)</td>
</tr>
</tbody>
</table>
### Financing activities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>沣新银行借款筹资</td>
<td>1,250,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>与金融机构借款相关的交易成本</td>
<td>(51,100)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>偿还银行借款</td>
<td>(627,410)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>支付利息</td>
<td>(36,326)</td>
<td>(36,326)</td>
<td>(36,326)</td>
<td>(18,163)</td>
<td>(18,163)</td>
</tr>
<tr>
<td>上市所得，扣发行成本</td>
<td>637,615</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>支付以前股东的股息</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(21,895)</td>
<td></td>
</tr>
<tr>
<td>上市前向股东发行单位所得</td>
<td>66,077</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>净现金流（用于）融资活动</td>
<td>1,238,856</td>
<td>(36,326)</td>
<td>(36,326)</td>
<td>(18,163)</td>
<td>(40,058)</td>
</tr>
<tr>
<td>现金及现金等价物的变化</td>
<td>73,220</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>期初现金及现金等价物</td>
<td>3,780</td>
<td>77,000</td>
<td>77,000</td>
<td>77,000</td>
<td>77,000</td>
</tr>
<tr>
<td>期末现金及现金等价物</td>
<td>77,000</td>
<td>77,000</td>
<td>77,000</td>
<td>77,000</td>
<td>77,000</td>
</tr>
</tbody>
</table>

### 此外

- **New bank borrowings raised**
- **Transaction costs related to borrowing from financial institution**
- **Repayment of bank borrowings**
- **Interest paid**
- **Proceeds from listing, net off issuance costs**
- **Dividends paid to previous shareholders**
- **Proceeds from units issued to Unitholders prior to listing**

### 年度

|沣新银行借款筹资                     | 1,250,000                     | –                             | –                             | –                                   | –                                   |
|与金融机构借款相关的交易成本            | (51,100)                      | –                             | –                             | –                                   | –                                   |
|偿还银行借款                           | (627,410)                     | –                             | –                             | –                                   | –                                   |
|支付利息                               | (36,326)                      | (36,326)                      | (36,326)                      | (18,163)                            | (18,163)                            |
|上市所得，扣发行成本                   | 637,615                       | –                             | –                             | –                                   | –                                   |
|支付以前股东的股息                      | –                             | –                             | –                             | (21,895)                            |                                     |
|上市前向股东发行单位所得              | 66,077                        | –                             | –                             | –                                   | –                                   |
|净现金流（用于）融资活动                | 1,238,856                     | (36,326)                      | (36,326)                      | (18,163)                            | (40,058)                            |
|现金及现金等价物的变化                  | 73,220                        | –                             | –                             | –                                   | –                                   |
|期初现金及现金等价物                     | 3,780                         | 77,000                        | 77,000                        | 77,000                              | 77,000                              |
|期末现金及现金等价物                     | 77,000                        | 77,000                        | 77,000                        | 77,000                              | 77,000                              |
The following table is an extract from “Profit Forecast and Profit Projection” and should be read together with “Profit Forecast and Profit Projection” of this Prospectus. Statements contained in “Profit Forecast and Profit Projection” of this Prospectus that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section of the Prospectus and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecasted and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by any of Dasin Retail Trust, the Trustee-Manager, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters, the Sponsor or any other person, nor that these results will be achieved or are likely to be achieved. (See “Forward-looking Statements” and “Risk Factors” of this Prospectus for further details.) Investors in the Units are cautioned not to place undue reliance on these forward-looking statements which are made only as of the date of this Prospectus.

None of Dasin Retail Trust, the Trustee-Manager, the Sponsor or the Sole Financial Adviser, Global Coordinator and Issue Manager or the Joint Bookrunners and Underwriters guarantees the performance of Dasin Retail Trust, the repayment of capital or the capital growth of the Units. The forecast and projected distribution yields stated in the following table are calculated based on:

- the Offering Price; and
- the assumption that the Listing Date is 1 January 2017.

Such distribution yields will vary accordingly if the Listing Date is not 1 January 2017, or for investors who purchase Units in the secondary market at a market price that differs from the Offering Price.

The following table shows Dasin Retail Trust’s statements of total return for Forecast Year 2017 and Projection Year 2018 (both with and without the completion of the proposed acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company (collectively referred to as “Shiqi Metro Mall” in the statements of total return) by Dasin Retail Trust on 30 June 2017). The financial year end of Dasin Retail Trust is 31 December. The Profit Forecast and Profit Projection may be different to the extent that the actual date of issuance of the Units for the Offering is other than on 1 January 2017, being the assumed date of the issuance of the Units for the Offering. The Profit Forecast and Profit Projection are based on the assumptions set out below and have been examined by the Reporting Accountant, Deloitte & Touche LLP, and should be read together with the report set out in “Appendix A – Reporting Accountant’s Report on the Profit Forecast and Profit Projection” of this Prospectus, as well as the assumptions and the sensitivity analysis set out in this section of the Prospectus.
Forecast and Projected Statements of Total Return for Dasin Retail Trust

The forecast and projected statements of total return for Dasin Retail Trust are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Forecast Year 2017 (1 January 2017 to 31 December 2017)</th>
<th>Projection Year 2018 (1 January 2018 to 31 December 2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Initial Portfolio and Shiqi Metro Mall</td>
<td>Initial Portfolio and Shiqi Metro Mall</td>
</tr>
<tr>
<td></td>
<td>RMB’000</td>
<td>RMB’000</td>
</tr>
<tr>
<td><strong>Gross revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1)</td>
<td>184,318</td>
<td>243,527</td>
</tr>
<tr>
<td><strong>Property operating expenses</strong></td>
<td>(33,731)</td>
<td>(43,338)</td>
</tr>
<tr>
<td><strong>Net Property Income</strong></td>
<td>150,587</td>
<td>200,189</td>
</tr>
<tr>
<td>Trustee-Manager’s fees</td>
<td>(13,183)</td>
<td>(17,335)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(4,831)</td>
<td>(9,430)</td>
</tr>
<tr>
<td>Finance costs (net)</td>
<td>(61,480)</td>
<td>(102,789)</td>
</tr>
<tr>
<td><strong>Net income/total return for the year before income tax</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>71,093</td>
<td>70,635</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(24,142)</td>
<td>(35,172)</td>
</tr>
<tr>
<td><strong>Total return for the year</strong></td>
<td>46,951</td>
<td>35,463</td>
</tr>
<tr>
<td>Distribution adjustments(2)</td>
<td>20,547</td>
<td>46,737</td>
</tr>
<tr>
<td><strong>Income available for distribution to Unitholders</strong></td>
<td>67,498</td>
<td>82,200</td>
</tr>
<tr>
<td>Without Distribution Waiver(3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution to Aqua Wealth and Bounty Way</td>
<td>44,921</td>
<td>54,673</td>
</tr>
<tr>
<td>Distribution to other Unitholders</td>
<td>22,577</td>
<td>27,527</td>
</tr>
<tr>
<td>With Distribution Waiver(3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution to Non-Lock-up Distribution Units of Aqua Wealth and Bounty Way (inclusive of the waived distribution)</td>
<td>17,463</td>
<td>21,239</td>
</tr>
<tr>
<td>Distribution to other Unitholders (inclusive of the waived distribution)</td>
<td>50,035</td>
<td>60,961</td>
</tr>
<tr>
<td>Weighted average number of Units in issue ('000)</td>
<td>529,806</td>
<td>551,160</td>
</tr>
<tr>
<td>Weighted average number of Units in issue held by other Unitholders ('000)(3)</td>
<td>177,213</td>
<td>184,572</td>
</tr>
<tr>
<td>Distribution rate</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Distribution per Unit (with Distribution Waiver) (S$)(4)</td>
<td>0.0581</td>
<td>0.0680</td>
</tr>
<tr>
<td>Distribution per Unit (without Distribution Waiver) (S$)(4)</td>
<td>0.0262</td>
<td>0.0307</td>
</tr>
<tr>
<td>Offering Price (S$/Unit)</td>
<td>0.80</td>
<td>0.80</td>
</tr>
<tr>
<td>Distribution yield (with Distribution Waiver) (%)</td>
<td>7.3</td>
<td>8.5</td>
</tr>
<tr>
<td>Distribution yield (without Distribution Waiver) (%)</td>
<td>3.3</td>
<td>3.8</td>
</tr>
</tbody>
</table>
Notes:
(1) Gross revenue is projected based on contractual terms, which represents actual cash flow, and has not been projected on a straight-line basis over the term of the lease.
(2) Distribution adjustments include the Trustee-Manager’s fees that are payable in the form of Units, amortisation of debt issuance costs, allocation to statutory surplus reserve, cash allocated for interest and principal repayments in accordance with the terms of the Facilities and VAT (as defined herein) tax credit arising from the re-organisation steps relating to Shiqi Metro Mall.
(3) Assuming the Over-Allotment Option is not exercised.
(4) Assuming a Listing Date of 1 January 2017.
RISK FACTORS

An investment in the Units involves risks. Prospective investors should consider carefully, together with all other information contained in this Prospectus, the factors described below before deciding to invest in the Units, as these may, among others, adversely affect the trading price of the Units and Dasin Retail Trust’s financial position and prospects. The risks set forth below are not an exhaustive list of the challenges currently facing Dasin Retail Trust or that may develop in the future. There may be additional risks not described below or not presently known to the Trustee-Manager or that the Trustee-Manager currently considers as immaterial that could turn out to be material, which may in the future have a material adverse effect on Dasin Retail Trust or the trading price of the Units.

This Prospectus also contains forward-looking statements (including a profit forecast and a profit projection) that involve risks, uncertainties and assumptions. The actual results of Dasin Retail Trust could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by Dasin Retail Trust as described below and elsewhere in this Prospectus.

As an investment in a business trust is meant to produce returns over the long-term, investors should not expect to obtain short-term gains.

Investors should be aware that the price of units in a business trust, and the income from them, may fall or rise. Investors should note that they could lose all or part of their original investment.

Before deciding to invest in the Units, prospective investors should seek professional advice from the relevant advisers about their particular circumstances.

RISKS RELATING TO THE PROPERTIES AND SHIQI METRO MALL

The DPU to Unitholders may be reduced after the end of the Distribution Waiver Period.

Each of Aqua Wealth and Bounty Way has entered into a Distribution Waiver Undertaking with the Trustee-Manager, pursuant to which each of Aqua Wealth and Bounty Way has agreed that notwithstanding the provisions of the Trust Deed, it shall not be entitled to any distributions on its respective Lock-up Distribution Units for the Distribution Waiver Period. The portion of Units not entitled to distributions will decrease in accordance with a fixed schedule provided for in the undertaking to the Trustee-Manager, and will be independent of the level of Distributable Income generated by Dasin Retail Trust.

(See “Certain Agreements Relating to Dasin Retail Trust and the Properties – Distribution Waiver Undertakings” and “Overview – Distribution Waiver from Major Unitholders” of this Prospectus for further details.)

Unless there is an increase in Distributable Income during the Distribution Waiver Period which corresponds to the reduction in the number of Units which are not entitled to distributions during the Distribution Waiver Period, of which there can be no assurance, the DPU to Unitholders will be reduced during the Distribution Waiver Period. Similarly, unless there is a corresponding increase in Distributable Income after the Distribution Waiver Period, of which there can be no assurance, the DPU to Unitholders will be reduced following the expiry of the Distribution Waiver.
The DPU and distribution yield for the Initial Portfolio as well as for the Initial Portfolio and Shiqi Metro Mall, both with and without the Distribution Waiver, for Forecast Year 2017 and Projection Year 2018 are as follows:

<table>
<thead>
<tr>
<th>DPU(^{(1)}) (SS)</th>
<th>Distribution yield(^{(1)}) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Forecast Year 2017</td>
</tr>
<tr>
<td>Initial Portfolio and Shiqi Metro Mall (with the Distribution Waiver)</td>
<td>0.0680(^{(2)})</td>
</tr>
<tr>
<td>Initial Portfolio and Shiqi Metro Mall (without the Distribution Waiver)</td>
<td>0.0307(^{(2)})</td>
</tr>
<tr>
<td>Initial Portfolio (with the Distribution Waiver)</td>
<td>0.0581</td>
</tr>
<tr>
<td>Initial Portfolio (without the Distribution Waiver)</td>
<td>0.0262</td>
</tr>
</tbody>
</table>

Notes:

(1) The DPU and distribution yield are based on the Offering Price.
(2) In the event the acquisition of Shiqi Metro Mall is not completed by 30 June 2017 and in the absence of the compensation under the Shiqi Framework Agreement, the foregoing DPU and distribution yield may not materialise.

(See “Profit Forecast and Profit Projection” of this Prospectus for further details.)

As such, there is no assurance that any increase in the level of Distributable Income during the Distribution Waiver Period will correspond to the reduction in the number of Units which are not entitled to distributions during the Distribution Waiver Period.

Following the expiry of the Distribution Waiver Undertakings, there is no assurance that Dasin Retail Trust will be able to generate a level of Distributable Income commensurate with the levels attained with the support of each of Aqua Wealth and Bounty Way under the Distribution Waiver.

The projected distribution yields for Forecast Year 2017 and Projection Year 2018 may not reflect the actual distribution yield of Shiqi Metro Mall.

Even if Dasin Retail Trust is able to successfully acquire Shiqi Metro Mall, there is no assurance that Dasin Retail Trust will achieve its projected return on such acquisition. The projected distribution yields for the Initial Portfolio and Shiqi Metro Mall for Forecast Year 2017 and Projection Year 2018 are based on a number of assumptions which are subject to uncertainties and contingencies which are outside the Trustee-Manager’s control. (See “Profit Forecast and Profit Projection – Assumptions” of this Prospectus for further details.) The actual performance of Shiqi Metro Mall is dependent on a number of factors, including, but not limited to, the receipt of rent from the tenants of Shiqi Metro Mall and the competition from other properties or future developments in PRC. These factors may adversely affect Shiqi Metro Mall’s ability to achieve the projected performance, as events and circumstances assumed may not occur as expected, or events and circumstances which have not been anticipated may arise. Accordingly, the actual returns on Shiqi Metro Mall may vary from the relevant forecast and projection in “Profit Forecast and Profit Projection” of this Prospectus.
Dasin Merchant Investment, as master lessee of certain retail space in Xiaolan Metro Mall, may not renew the Xiaolan Master Lease Agreement or may terminate the Xiaolan Master Lease Agreement before its expiry.

When Dasin Merchant Investment becomes the master lessee of certain retail space in Xiaolan Metro Mall on 26 September 2017 pursuant to the Xiaolan Master Lease Agreement, it will become the largest tenant in both Xiaolan Metro Mall and the Initial Portfolio. (See “Certain Agreements Relating to Dasin Retail Trust and the Properties – Xiaolan Master Lease Agreement” of this Prospectus for further details.) The contribution of the Xiaolan Master Lease Agreement to the Net Property Income of Xiaolan Metro Mall is 2.1% in Forecast Year 2017 and 16.5% in Projection Year 2018. The contribution of the Xiaolan Master Lease Agreement to the Net Property Income of the Initial Portfolio and Shiqi Metro Mall is 0.9% in Forecast Year 2017 and 6.2% in Projection Year 2018. The Xiaolan Master Lease Agreement provides for termination by the Xiaolan Master Lessee prior to expiry of the Xiaolan Master Lease Agreement under certain specified circumstances, such as where, due to the fault of the Xiaolan Master Lessor (as defined herein), the Xiaolan Master Lessee is unable to continue its operations at the leased property for a period of more than three months. There is no assurance that the Xiaolan Master Lessee will not terminate the Xiaolan Master Lease Agreement in accordance with its terms, nor is there any assurance that it will exercise any option to renew the Xiaolan Master Lease Agreement upon its expiry or agree to renew on the existing terms and conditions, including, but not limited to, the new amounts of the rent payable. In the event that the Dasin Retail Trust Group is unable to locate a suitable replacement lessee(s), the Dasin Retail Trust Group may lose a significant source of its revenue. In addition, replacement(s) of the Xiaolan Master Lessee on satisfactory terms may not be possible in a timely manner or at all. The failure by the Xiaolan Master Lessee to renew the Xiaolan Master Lease Agreement, or the failure to procure a suitable replacement lessee(s) in the event of early termination of the Xiaolan Master Lease Agreement, may have a material adverse effect on the business, financial condition, results of operations and prospects of the Dasin Retail Trust Group and the ability of the Dasin Retail Trust Group to make distributions to Unitholders.

Further, rental payments for such retail space will depend solely on the ability of Dasin Merchant Investment, as master lessee, to make rental payments. Should the Xiaolan Master Lessee be unable to locate sub-tenants to sub-lease the retail space to, its ability to make rental payments on a timely basis, or at all, will be materially and adversely affected. There can be no assurance that the Xiaolan Master Lessee will have sufficient assets, income and access to financing to enable it to satisfy its obligations under the Xiaolan Master Lease Agreement. If the Xiaolan Master Lessee is unable to meet its obligations under the Xiaolan Master Lease Agreement, the business, financial condition, results of operations and prospects of the Dasin Retail Trust Group and ability of the Dasin Retail Trust Group to make distributions to Unitholders will be materially and adversely affected.

The leases of the retail units in Dasin E-Colour leased by Interested Persons of the Dasin Retail Trust Group, which constitute in aggregate 50.8% of the total NLA of Dasin E-Colour, may be terminated before their expiry or may not be renewed.

Zhongshan Xin He Property Investment Co., Ltd. (“Xin He Property Investment”), Zhongshan Yi Cai Dasin Food Services Co., Ltd. (“Yi Cai Dasin Food”) and Dasin Merchant Investment, which are Interested Persons (as defined in the Listing Manual) of the Dasin Retail Trust Group, have each leased retail units in Dasin E-Colour, the respective aggregate NLA of which are 945.0 sq m, 880.0 sq m and 4,593.0 sq m, representing in aggregate 6,418.0 sq m, which represents 50.8% of the total NLA of Dasin E-Colour as at 30 June 2016. (See “Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Other Ongoing Interested Person Transactions – Lease of retail units in Dasin E-Colour to Interested Persons” of this Prospectus for further details.) The contribution of the Dasin E-Colour Master Lease Agreements to the Net Property Income of Dasin E-Colour is 23.8% in Forecast Year 2017 and 23.1% in
Projection Year 2018. The contribution of the Dasin E-Colour Master Lease Agreements to the Net Property Income of the Initial Portfolio and Shiqi Metro Mall is 1.4% in Forecast Year 2017 and 1.1% in Projection Year 2018. There is no assurance that such tenants will not terminate their respective leases, nor is there any assurance that they will exercise any option to renew their respective leases upon their expiry or agree to renew on the existing terms and conditions of their respective leases, including, but not limited to, the new amounts of the rent payable. In the event that the Dasin Retail Trust Group is unable to locate a suitable replacement lessee(s), the Dasin Retail Trust Group may lose a significant source of its revenue from Dasin E-Colour. In addition, replacement(s) of such tenant(s) on satisfactory terms may not be possible in a timely manner or at all. The failure by such tenants to renew their respective leases, or the failure to procure a suitable replacement lessee(s) in the event of early termination of the lease(s), may have a material adverse effect on the business, financial condition, results of operations and prospects of the Dasin Retail Trust Group and ability of the Dasin Retail Trust Group to make distributions to Unitholders.

Two of the Properties have a limited operating track record.

As at the Listing Date, two of the Properties have a limited operating track record as they are newly opened. Ocean Metro Mall commenced operations in December 2014 and Dasin E-Colour commenced operations in May 2015. Due to their limited operating track record, the operating histories of the said Properties are not sufficiently established for their past performance to be judged. This will make it difficult for investors to assess the future performance and prospects of Ocean Metro Mall and Dasin E-Colour. Accordingly, there can also be no assurance that these Properties will be able to achieve the forecast and projected occupancy rates set out in “Profit Forecast and Profit Projection” of this Prospectus.

The rental rates for Forecast Year 2017 and Projection Year 2018 do not reflect stabilised rental rates.

Ocean Metro Mall and Dasin E-Colour commenced operations in December 2014 and May 2015 respectively. Although Ocean Metro Mall and Dasin E-Colour enjoy an occupancy rate of 99.5% and 92.8% respectively as at 30 June 2016, the majority of the leases at Ocean Metro Mall and Dasin E-Colour are in the first lease cycle and rental rates have yet to stabilise. Therefore, there is no assurance that the future performance of Dasin Retail Trust will not vary from the relevant forecast and projection set out in “Profit Forecast and Profit Projection” of this Prospectus or for periods subsequent to Forecast Year 2017 and Projection Year 2018.

Dasin Retail Trust’s acquisitions of Shiqi Metro Mall and the Shiqi Rental Management Company post-completion of the Offering are subject to the vendors’ due performance of their obligations under the Shiqi Framework Agreement and Shiqi Holdco Sale and Purchase Agreement.

Singapore Holdco entered into the Shiqi Framework Agreement with Mr. Zhang Zhencheng and Dasin Management and Investment on 13 January 2017 for Dasin Retail Trust to acquire Shiqi Metro Mall, via the acquisition of the Shiqi PRC Property Company, and the Shiqi Rental Management Company from Dasin Management and Investment. The Shiqi Framework Agreement and the acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company are interested person transactions under Chapter 9 of the Listing Manual of the SGX-ST and the purchase consideration of approximately RMB 1,224.0 million (which is arrived at on a willing-buyer and willing-seller basis based on the implied acquisition price of Shiqi Metro Mall of approximately RMB 1,224.0 million for Shiqi Metro Mall and the Shiqi Rental Management Company under the Shiqi Framework Agreement) is deemed to be approved by the Unitholders upon the subscription for Units. Under the Shiqi Framework Agreement, such acquisition is envisaged to be completed after the Listing Date but by the Target Shiqi Acquisition Date. If the conditions precedent for the acquisition of the Shiqi PRC Property Company and the Shiqi Rental
Management Company are not met by the Target Shiqi Acquisition Date, Singapore Holdco is entitled to terminate the Shiqi Framework Agreement as well as the Shiqi Holdco Sale and Purchase Agreement without liability.

Under the Shiqi Framework Agreement, Mr. Zhang Zhencheng will incorporate Shiqi Holdco, a Singapore holding company, which will in turn incorporate two wholly-owned subsidiaries, one of which will be used to acquire the Shiqi PRC Property Company, established by Dasin Management and Investment to hold Shiqi Metro Mall, and the other one of which will be used to acquire the Shiqi Rental Management Company, a wholly-owned subsidiary of Dasin Management and Investment. Under the Shiqi Framework Agreement, Mr. Zhang Zhencheng is obliged to enter into the Shiqi Holdco Sale and Purchase Agreement for the sale of Shiqi Holdco to Dasin Retail Trust (via Singapore Holdco) and complete the sale of Shiqi Holdco by the Target Shiqi Acquisition Date. The Shiqi Framework Agreement provides that it can only be terminated by Singapore Holdco through rescission due to (i) material damage to Shiqi Metro Mall or (ii) material breach of the Shiqi Framework Agreement by Dasin Management and Investment or Mr. Zhang Zhencheng (including failure to meet any of the conditions precedent for the acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company by the Target Shiqi Acquisition Date and failure to provide the banker’s guarantee within the stipulated timeframe) which is not remedied within 14 working days (or such other date as mutually agreed by the parties) after receipt of notification from Singapore Holdco.

Under the Shiqi Holdco Sale and Purchase Agreement, completion of the acquisitions of the Shiqi PRC Property Company and the Shiqi Rental Management Company is subject to certain conditions being fulfilled by Mr. Zhang Zhencheng and Dasin Management and Investment, including the obtaining of all licences and approvals necessary for the acquisitions. (See “Certain Agreements Relating to Dasin Retail Trust and the Properties – Shiqi Framework Agreement” of this Prospectus for further details on the Shiqi Framework Agreement and Shiqi Holdco Sale and Purchase Agreement.)

Although Dasin Retail Trust is contractually entitled to acquire the Shiqi PRC Property Company and the Shiqi Rental Management Company in accordance with the terms of the Shiqi Framework Agreement and Shiqi Holdco Sale and Purchase Agreement, there is no guarantee that Mr. Zhang Zhencheng and Dasin Management and Investment would perform their obligations under the terms of the agreements.

If Dasin Retail Trust completes the acquisition of Shiqi Metro Mall by 30 June 2017, the DPU and the distribution yield of Dasin Retail Trust for Forecast Year 2017 based on the Offering Price would be S$0.0680 and 8.5% respectively with the Distribution Waiver and S$0.0307 and 3.8% respectively without the Distribution Waiver. In the event Dasin Retail Trust does not complete the acquisition of Shiqi Metro Mall by 30 June 2017, the DPU and the distribution yield of Dasin Retail Trust for Forecast Year 2017 based on the Offering Price would be S$0.0581 and 7.3% respectively with the Distribution Waiver and S$0.0262 and 3.3% respectively without the Distribution Waiver.

Therefore, in the event that Mr. Zhang Zhencheng or Dasin Management and Investment fails to perform his and/or its respective obligations under the terms of the Shiqi Framework Agreement or the Shiqi Holdco Sale and Purchase Agreement, or the acquisitions of the Shiqi PRC Property Company and the Shiqi Rental Management Company are not completed for any other reason, the business, financial condition, results of operations and prospects of Dasin Retail Trust may be adversely affected.
There is no assurance that Dasin Retail Trust will not be penalised for a delay in payment of the purchase considerations of Xinrui Commercial, Zhongshan Yuanxin and Xinteng Commercial.

According to the Circular on Thorough Implementation promulgated by the General Office of the MOFCOM on 14 August 2006, each of the relevant Singapore Holding Companies is required to pay in full the purchase considerations for the respective PRC Property Companies within three months of the date of issuance of the Business Licence of the respective PRC Property Company. Accordingly, the purchase consideration for each of Xinteng Commercial and Zhongshan Yuanxin has to be paid by 3 June 2016 and the purchase consideration for Xinrui Commercial has to be paid by 6 June 2016. In the case of the Rental Management Companies, according to the M&A Administrative Measures, each of the relevant Singapore Holding Companies is required to pay in full the purchase considerations for the Rental Management Companies within three months of the date of issuance of the Business Licence of the respective Rental Management Company. However, where an extension of this time limit is required due to special circumstances, the relevant Singapore Holding Company shall, subject to the approval of the relevant approving authority (i.e. Department of Commerce of Guangdong Province), pay at least 60.0% of the total consideration within six months of the date of issuance of the Business Licence of the respective Rental Management Company and satisfy the full purchase consideration within one year. As approvals for extension of the payment terms have not been obtained from the Department of Commerce of Guangdong Province, the purchase consideration for Xiaolan Xinduhui has to be paid by 3 June 2016 and the purchase consideration for Yicai Xinduhui has to be paid by 6 June 2016.

The purchase considerations for the Rental Management Companies were each paid into the designated bank accounts of Dasin Merchant Investment prior to 3 June 2016 from the subscription proceeds of approximately S$2.3 million (equivalent to approximately RMB 11.0 million) from the issuance of Units to Aqua Wealth. The purchase considerations for Xinrui Commercial, Zhongshan Yuanxin and Xinteng Commercial will be paid into the designated bank accounts of the vendors, Dasin Management and Investment, Dasin Property Investment and Beijing Yin Gang, and Dasin Management and Investment respectively, using amounts drawn down from part of the Facilities and proceeds from the Offering on the Listing Date, as the funds from the Facilities will only be drawn down on Listing Date and even then, it would not be sufficient for the payment of the purchase considerations for Xinrui Commercial, Zhongshan Yuanxin and Xinteng Commercial. As such, the purchase considerations for Xinrui Commercial, Zhongshan Yuanxin and Xinteng Commercial will only be remitted by their respective Singapore Holding Companies, namely, Lan Xin Investments Pte. Ltd., Yuan Xin Investments Pte. Ltd. and Yi Xin Investments Pte. Ltd., into the designated bank accounts of their respective vendors after 6 June 2016. According to the Sponsor, based on international bank transfer practices, the time required for the purchase consideration to be received by the vendors, from the time the purchase considerations are remitted by Lan Xin Investments Pte. Ltd., Yuan Xin Investments Pte. Ltd. and Yi Xin Investments Pte. Ltd. respectively to the designated bank accounts of their respective vendors, shall take no more than two business days in PRC.

The Circular on Thorough Implementation and the M&A Administrative Measures does not expressly stipulate the implication of a delay in the payment of the purchase consideration. As at the Latest Practicable Date, save for the fine incurred by the Singapore Holding Companies in relation to the stamp duty paid in connection with the acquisition of the PRC Property Companies and the Rental Management Companies by the Singapore Holding Companies (see “Risk Factors – Risks Relating to the Properties and Shiqi Metro Mall – The Properties are subject to property related taxes that may increase and thereby adversely affect Dasin Retail Trust’s financial condition.” of this Prospectus for further details), no notice of any penalty or negative consequence has been received by any of the Singapore Holding Companies, the PRC Property Companies or the Rental Management Companies from the Department of Commerce of Guangdong Province (the authority which approved the acquisition by the Singapore Holding
Companies of the PRC Property Companies and Rental Management Companies) and the Zhongshan Administration for Industry and Commerce (the authority which issued the Business Licence of each of the PRC Property Companies and Rental Management Companies) or any other government authorities. As for the aforementioned fine incurred by the Singapore Holding Companies in relation to the stamp duty paid in connection with the acquisition of the PRC Property Companies and the Rental Management Companies by the Singapore Holding Companies, each of JunZeJun Law Offices and King & Wood Mallesons has advised that no further penalties or fines arising from the late payment of the stamp duty will be levied on the Dasin Retail Trust Group and that the late payment of the stamp duty will not affect the completion of the acquisition of the PRC Property Companies and the Rental Management Companies by the Singapore Holding Companies. Based on verbal consultations with the Department of Commerce of Guangdong Province and the Zhongshan Administration for Industry and Commerce, the relevant regulatory departments will typically take regulatory action against the PRC Property Companies only if their respective vendors, Dasin Management and Investment, as well as Dasin Property Investment and Beijing Yin Gang, had on 1 June 2016 provided an irrevocable written undertaking to waive any rights, claims, actions or proceedings that they may have against Lan Xin Investments Pte. Ltd., Yuan Xin Investments Pte. Ltd. or Yi Xin Investments Pte. Ltd., as the case may be, or their related entities (including, but not limited to, Dasin Retail Trust and Dasin Retail Trust Management Pte. Ltd.), for any losses or liabilities they may suffer as a result of the delay in the payment of the purchase consideration of Xinrui Commercial, Zhongshan Yuanxin and Xinteng Commercial, as the case may be (save that in the case of Yuan Xin Investments Pte. Ltd., the undertaking given by Dasin Property Investment and Beijing Yin Gang shall be effective up to 30 June 2017). Consequently, both JunZeJun Law Offices and King & Wood Mallesons are of the view that the risk of the approvals given in respect of Xinrui Commercial, Zhongshan Yuanxin or Xinteng Commercial, as the case may be, being revoked as a result of the delay in the payment of the purchase consideration is remote.

(See “Overview – Overview of the Acquisition of the Initial Portfolio – Acquisition of the Initial Portfolio and Rental Management Companies” of this Prospectus for further details.)

However, although the Circular on Thorough Implementation and the M&A Administrative Measures does not expressly stipulate the implication of a delay in the payment of the purchase consideration and each of JunZeJun Law Offices and King & Wood Mallesons is of the view that the risk of being penalised by the PRC regulatory authorities for the delay in the payment of the purchase consideration of Xinrui Commercial, Zhongshan Yuanxin and Xinteng Commercial is low in practice, there is no assurance that the approvals given in respect of Xinrui Commercial, Zhongshan Yuanxin and Xinteng Commercial and Business Licences of Xinrui Commercial, Zhongshan Yuanxin and Xinteng Commercial issued by the Department of Commerce of Guangdong Province and the Zhongshan Administration for Industry and Commerce will not be revoked as a result of the delay in payment of the purchase considerations of Xinrui Commercial, Zhongshan Yuanxin and Xinteng Commercial. In addition, as the PRC legal system is in the process of continuous development, there is no assurance that the PRC authorities will not promulgate laws and regulations which expressly stipulate the implication of a delay in the payment of the purchase consideration. As such, if such laws and regulations are promulgated and deemed to be applicable to Dasin Retail Trust, Lan Xin Investments Pte. Ltd., Yuan Xin Investments Pte. Ltd. and Yi Xin Investments Pte. Ltd. may be penalised as a result of the delay in the payment of the purchase considerations of Xinrui Commercial, Zhongshan Yuanxin and Xinteng Commercial respectively.
A portion of the tenancy agreements of the Properties and Shiqi Metro Mall are not registered.

According to the Administration Measures on Commercial Real Estate Leasing (《商品房屋租赁管理办法》) promulgated by the Ministry of Housing and Urban-Rural Development of PRC (中华人民共和国住房和城乡建设部) (the "MOHURD"), all tenancy agreements of the Properties and Shiqi Metro Mall are required to be registered with the local housing administrative authority. However, in respect of the tenancy agreements of the Properties and Shiqi Metro Mall, a portion of the tenancy agreements have not been registered as required.

Pursuant to the relevant regulations, as advised by JunZeJun Law Offices, the lessor and/or the lessee may be fined up to RMB 10,000 per unregistered tenancy agreement, although the relevant authorities would typically require the lessor and the lessee to rectify the non-compliance before imposing any fine. JunZeJun Law Offices has further advised that these tenancy agreements which are legally executed by both the lessor and the lessee are valid and legally binding despite their non-registration with the relevant local housing administrative authority. As two of the PRC Property Companies are the lessors for the tenancy agreements in relation to Xiaolan Metro Mall and Dasin E-Colour respectively, the business, financial condition and results of operations of Dasin Retail Trust may be adversely affected in the event that the relevant PRC authorities hold these two PRC Property Companies responsible for the non-registration of the tenancy agreements and impose fines on them, notwithstanding the fact that the failure to register may be solely due to refusal by the lessees to do so.

There are 480 leases in total at Xiaolan Metro Mall, Dasin E-Colour, Ocean Metro Mall and Shiqi Metro Mall as at the Latest Practicable Date and 109 of these leases are not registered. The maximum potential loss from the fine will be RMB 1.09 million. However, the Trustee-Manager expects that at least 80.0% of unregistered leases of Xiaolan Metro Mall, Dasin E-Colour and Ocean Metro Mall will be registered by the end of December 2016 and at least 80.0% of the unregistered leases of Shiqi Metro Mall will be registered prior to its acquisition. According to JunZeJun Law Offices and King & Wood Mallesons, where the lessor has the authority to lease the property, the registration of the leases is procedural in nature and there are no legal impediments to completing the registration.

Post-Listing, the relevant PRC Property Companies and the Rental Management Companies have each agreed in their respective master lease agreements that in the event (i) the relevant PRC Property Company and the Rental Management Company agree that a tenancy agreement is material, or (ii) the tenancy agreement has stipulated that registration is required, the parties to the tenancy agreement will register such tenancy agreement. Upon the acquisition of Shiqi Metro Mall, the Shiqi PRC Property Company and the Shiqi Rental Management Company will similarly agree in its master lease agreement that in the event (i) the Shiqi PRC Property Company and the Shiqi Rental Management Company agree that a tenancy agreement is material, or (ii) the tenancy agreement has stipulated that registration is required, the parties to the tenancy agreement will register such tenancy agreement.

It should be noted that the PRC Property Companies, the Rental Management Companies, the Shiqi PRC Property Company and the Shiqi Rental Management Company do not have sole control over completion of registration in all cases, as the registration process may require the assistance of the relevant tenants, and there is no assurance that such tenants would render assistance to complete the registration.
The land use rights in respect of the Properties and Shiqi Metro Mall are of limited duration and unless such duration is extended, this will have an impact on the value of the Properties and Shiqi Metro Mall with the passage of time.

The Properties and Shiqi Metro Mall are directly held by the PRC Property Companies and the Shiqi PRC Property Company respectively under land use rights granted by the PRC government. As at the Latest Practicable Date, Xiaolan Metro Mall has a land use right tenure balance of approximately 26 years and 4 months, Ocean Metro Mall has a land use right tenure balance of approximately 29 years and 2 months, Dasin E-Colour has a land use right tenure balance of approximately 24 years and 7 months and Shiqi Metro Mall has a land use right tenure balance of approximately 24 years and 11 months (for commercial use) and approximately 54 years and 7 months (for residential use). The reason why the Properties and Shiqi Metro Mall have land use right tenure balances of less than or only approximately 30 years is because they are directly held under the land use right granted by the PRC government for commercial uses (other than comprehensive purposes), for which land use right is limited to a maximum of 40 years, which is also inclusive of the time taken for developing the land.

The Trustee-Manager has received a clarification from the SGX-ST that it has no objections to the remaining length of the leases of the Initial Portfolio being less than 30 years for the purpose of compliance with Rule 222(1) of the Listing Manual.

Unless the land use rights for the Properties and Shiqi Metro Mall are extended by the PRC government, they will expire on the stipulated dates, such that Dasin Retail Trust will cease to have any direct or indirect interest in the Properties and Shiqi Metro Mall or the income accruing from such Properties and Shiqi Metro Mall. As a result, unless Dasin Retail Trust acquires or holds other real estate investment that generates recurrent rental income before all the land use rights expire, the value of Dasin Retail Trust should diminish over time and should have zero value in approximately 30 years when all the land use rights would have expired. There is also no assurance that the return (if any) achieved by holding and/or disposing of Units will exceed the Unitholders’ investment cost.

Nevertheless, it is difficult in reality to ascertain the change in value of the Properties and Shiqi Metro Mall over time because their respective values will depend on various market and property-specific factors. The market factors relate to the future demand and supply of the Properties and Shiqi Metro Mall which impact, among others, rental rates, yields and vacancy rates. Such demand and supply of the Properties and Shiqi Metro Mall are influenced by the future physical condition of the Properties and Shiqi Metro Mall, tenancy profiles, prevailing rental and occupancy rates, quality of property management, remaining term of land use rights etc. While the change in the remaining term of the land use rights will have an effect on the value of the Properties and Shiqi Metro Mall, it is not the only determining factor. The value of the Properties and Shiqi Metro Mall is also affected by other relevant market and property-specific factors mentioned above. Therefore, it is difficult to determine how the value of the Properties and Shiqi Metro Mall will vary at any point of the remaining term of the land use rights. In the event that the value of the Properties decline over time due to various factors, this may adversely affect Dasin Retail Trust’s ability to seek refinancing where necessary, and consequently, its business, financial condition and results of operation.

(See also “Risk Factors – Risks Relating to the Properties and Shiqi Metro Mall – In the event that an extension to the land use right tenure balance is sought and obtained (and there can be no assurance that such extension will be obtained), there is uncertainty about the quantum of land grant premium which Dasin Retail Trust will have to pay and the additional conditions which may be imposed.”)
In the event that an extension to the land use right tenure balance is sought and obtained (and there can be no assurance that such extension will be obtained), there is uncertainty about the quantum of land grant premium which Dasin Retail Trust will have to pay and the additional conditions which may be imposed.

Upon the expiration of the respective terms of the land use rights of the Properties and Shiqi Metro Mall, the land use rights will revert to the PRC government unless the relevant land user applies for an extension of the term of such land use right no later than one year prior to the expiration of the term of the land use right. If an application for extension is granted (such grant shall be given by the PRC government unless the land in issue needs to be taken back by the PRC government for public interest or the property no longer complies with overall planning of land utilisation formulated by the PRC government then in force at the time of application for renewal), the land user will be required to, among other things, pay a land grant premium subject to the requirement of PRC laws and regulations effective as at the date thereof.

If no application is made, or such application is not granted, the Properties and Shiqi Metro Mall upon the land shall be disposed of in accordance with the land use right grant contracts. As none of the land use rights granted by the PRC government similar to those granted for the Properties and Shiqi Metro Mall has, as at the Listing Date, run its full term, there is no precedent to provide an indication of the quantum of land grant premium which the PRC Property Companies and the Shiqi PRC Property Company will have to pay and additional conditions which may be imposed in the event that an extension to the land use rights for the Properties and/or and Shiqi Metro Mall is sought and obtained (and there can be no assurance that such extension will be obtained as there are currently no precedents of such extension). In the event that the extension is not granted, this, along with other factors, may affect the value of the relevant Property or Shiqi Metro Mall, as well as the business, financial condition and results of operation of Dasin Retail Trust.

The Building Ownership Certificate in respect of a portion of Shiqi Metro Mall comprising a newly constructed area of 674.3 sq m has yet to be obtained.

The Building Ownership Certificate in respect of the newly constructed extension of Shiqi Metro Mall, which has a GFA of approximately 674.3 sq m (constituting approximately 0.6% of the total GFA of Shiqi Metro Metro Mall), has not been obtained by Dasin Management and Investment.

The legal adviser to the Trustee-Manager and the Sponsor as to PRC law, JunZeJun Law Offices, has confirmed that Dasin Management and Investment's title to the land use rights on which the relevant 674.3 sq m of Shiqi Metro Mall is situated is good and marketable and that the issuance of the Building Ownership Certificate for the relevant 674.3 sq m of Shiqi Metro Mall by the relevant PRC authorities is merely procedural and that there would be no material legal obstacles to the receipt of such Building Ownership Certificate prior to the acquisition of Shiqi Metro Mall by Dasin Retail Trust.

However, in the event unforeseen circumstances occur such that certain construction planning, construction completion and civil defence checks which are required to be submitted to the relevant PRC real estate administrative authorities for the issuance of the Building Ownership Certificate in respect of the 674.3 sq m of Shiqi Metro Mall are not completed before the acquisition of the Shiqi PRC Property Company, Dasin Management and Investment will be unable to obtain the Building Ownership Certificate in respect of the 674.3 sq m of Shiqi Metro Mall before the acquisition of Shiqi Metro Mall. As such, there can be no assurance that the requisite Building Ownership Certificate in respect of the newly constructed extension of 674.3 sq m of Shiqi Metro Mall will be obtained prior to the date of completion of the acquisition of Shiqi Metro Mall by Dasin Retail Trust.
Under the Shiqi Holdco Sale and Purchase Agreement, completion of acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company is subject to certain conditions being fulfilled by Mr. Zhang Zhenceng and Dasin Management and Investment, including the obtaining of all licences and approvals necessary for the acquisition, and the receipt of all relevant titles (including the Building Ownership Certificate in respect of the 674.3 sq m of Shiqi Metro Mall). In the event that such Building Ownership Certificate for the relevant 674.3 sq m of Shiqi Metro Mall is not obtained prior to the date of completion of the acquisition of the Shiqi PRC Property Company, Dasin Retail Trust will be unable to complete the acquisition of Shiqi Metro Mall and the business, financial condition, results of operations and prospects of Dasin Retail Trust may be adversely affected.

Dasin Retail Trust may be adversely affected by economic and real estate market conditions, as well as changes in regulatory, fiscal and other governmental policies in PRC.

The Properties and Shiqi Metro Mall are located in Zhongshan in PRC. An economic decline in PRC could adversely affect Dasin Retail Trust’s results of operations and future growth. The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. There remains a concern that the debt crisis in Europe and the U.S. as well as the uncertainty surrounding the monetary policy of the U.S. Federal Reserve will impinge upon the health of the global financial system. These events could adversely affect Dasin Retail Trust insofar as they result in:

- a negative impact on the ability of the tenants to pay their rents in a timely manner or continuing their leases, thus reducing Dasin Retail Trust’s cash flow;
- an increase in counterparty risk (being the risk of monetary loss which Dasin Retail Trust may be exposed to if any of its counterparties encounters difficulty in meeting its obligations under the terms of its respective transaction); and/or
- an increased likelihood that one or more of (i) Dasin Retail Trust’s banking syndicates (if any), (ii) banks or insurers, as the case may be, providing bankers’ guarantees or performance bonds for the rental deposits or other types of deposits relating to or in connection with the Properties or Dasin Retail Trust’s operations or (iii) Dasin Retail Trust’s insurers, may be unable to honour their commitments to Dasin Retail Trust.

There is also uncertainty as to the scale of the downturn in the U.S. and the global economy, the decrease in consumer demand and the impact of the global downturn on the economy of PRC.

Investments in commercial and commercial-related assets in other countries will expose Dasin Retail Trust to additional local real estate market conditions. Other real estate market conditions which may adversely affect the performance of Dasin Retail Trust include the attractiveness of competing commercial-related assets or an oversupply or reduced demand for such commercial-related assets in PRC where the Initial Portfolio and Shiqi Metro Mall are situated, or an oversupply or reduced demand for such commercial-related assets outside PRC.

Further, Dasin Retail Trust will be subject to foreign real estate laws, regulations and policies as a result of its property investments in PRC. Measures and policies adopted by the PRC governments and regulatory authorities at national, provincial or local levels, such as government control over property investments or foreign exchange regulations, may negatively impact Dasin Retail Trust’s properties.
The loss of key tenants or a significant number of tenants of any of the Properties and Shiqi Metro Mall or a downturn in the businesses of key tenants or a significant number of tenants could have an adverse effect on Dasin Retail Trust’s financial conditions and results of operations.

Dasin Retail Trust’s financial condition and results of operations and capital growth may be adversely affected by the bankruptcy, insolvency or downturn in the businesses of any one or more of the key tenants or a significant number of tenants of any of the Properties and Shiqi Metro Mall, as well as the decision by one or more of these tenants not to renew its lease or to terminate its lease before it expires. If key tenants or a significant number of tenants terminate their leases or do not renew their leases at expiry, it may be difficult to secure replacement tenants at short notice. The loss of key tenants or a significant number of tenants in any one of the Properties or Shiqi Metro Mall or Dasin Retail Trust’s future acquisitions could result in periods of vacancy, which could adversely affect the revenue and financial conditions of the relevant property, consequently impacting Dasin Retail Trust’s ability to make dividends or distributions.

Collectively, the top 10 tenants of the Properties by Gross Rental Income accounted for approximately 41.7% of the Gross Rental Income of the Properties for the month of June 2016. Based on these tenants’ lease tenures, 4.2% of the leases (by Gross Rental Income) for the Properties will expire during FY2016, 6.9% of the leases (by Gross Rental Income) for the Properties will expire during Forecast Year 2017, and 2.6% of the leases (by Gross Rental Income) for the Properties will expire during Projection Year 2018.

Similarly, if key tenants or a significant number of tenants do not renew their leases upon expiry or a significant number of early terminations by key tenants or a significant number of tenants occur, and replacement tenants cannot be found, or, if found, leases are entered into with these tenants on terms less favourable than those experienced with the prior tenants, this could adversely affect Dasin Retail Trust’s business and financial conditions and results of operations.

The Properties are subject to property related taxes that may increase and thereby adversely affect Dasin Retail Trust’s financial condition.

The Properties are subject to various taxes in connection with real estate (i.e. immovable) property in PRC that may increase as tax rates increase or as method of computation changes or when the property is assessed or re-assessed by the relevant authorities.

Real estate tax ("RET") is levied on owners of real estate properties which are located within certain specified areas in PRC. Subject to the local practice in the locality where the property is located, there are two RET calculation methods depending on whether the property is for self-use or held for lease. RET on self-used property should be calculated by applying RET rate of 1.2% per annum on 70.0% to 90.0% of the original cost of the self-used property. According to the prevailing regulations, if the property is leased out, RET should be calculated at 12.0% per annum on the rental income received. However, the choice of method used in each locality may be either of these two methods regardless of the use of the property. The actual RET method adopted is based on guidance obtained from the prevailing PRC regulation and local circulars and subject to discussion and approval by the local tax bureau.

The PRC Property Companies have been paying RET based on either of the RET methods or a combination of the two RET methods. While the current method of computing RET in relation to the Properties has so far been accepted by the local PRC tax bureau, there is no assurance that the PRC RET rules or local practices may not change or that any such change will not be applied on a retrospective basis.
In addition, certain tax treatments where the prevailing PRC tax rules have not been clearly stated are subject to the discretion or practice of local tax bureaus on a case by case basis. Thus, the amount of PRC taxes payable may vary. If the tax assessed in respect of any of the Properties increases, the PRC taxes included in the relevant forecast and projection in “Profit Forecast and Profit Projection” of this Prospectus may increase and the distributions of Dasin Retail Trust could be adversely affected.

In the event of a disposal of the Properties or shares in the PRC Property Companies or the Rental Management Companies, the Singapore Holding Companies or Singapore Holdco, such disposal may also be exposed to various types of taxes in PRC such as stamp duty, and in the case of disposal of shares in the Singapore Holding Companies or Singapore Holdco, the amount of gains that may be subject to PRC Corporate Income Tax (“PRC CIT”) will be computed by reference to the gross sales proceeds minus the cost paid by the relevant Singapore Holding Company for the acquisition of the shares in the respective PRC Property Company or Rental Management Company provided the previous owner (i.e. the vendor(s) of those shares) has paid CIT on the gains from the previous sale (i.e. sale of those shares to the respective Singapore Holding Company). In addition, failure to pay or to make timely payments of such property related taxes could result in penalties or fines being imposed on Dasin Retail Trust and/or its relevant subsidiary(ies). For example, the Singapore Holding Companies had previously incurred an aggregate fine of approximately RMB 45,000 in March 2016 for the late payment of stamp duty in relation to the acquisition of the PRC Property Companies and the Rental Management Companies by the Singapore Holding Companies. (See “Overview of the Acquisition of the Initial Portfolio” of this Prospectus for further details.) As at the Latest Practicable Date, all relevant property related taxes payable by the respective Singapore Holding Companies to the relevant PRC tax authorities in connection with the acquisitions of the PRC Property Companies and the Rental Management Companies have been paid. In the event that the Dasin Retail Trust Group is unable to pay or make timely payments of such property related taxes, the business, financial condition and results of operations of Dasin Retail Trust may be adversely affected.

While the Sale and Purchase Agreements provide that the respective vendors of PRC Property Companies and Rental Management Companies shall bear all income taxes arising under the Sale and Purchase Agreements and the purchasers, being the Singapore Holding Companies, shall be indemnified by the respective vendors in respect of such income taxes, there can be no assurance that the Singapore Holding Companies will be entitled to be reimbursed or compensated under such representations warranties and indemnities for any or all losses or liabilities suffered or incurred by them as a result of their acquisition of the PRC Property Companies and Rental Management Companies.

(See “Taxation – PRC Taxation” and “Appendix D – Independent Taxation Report” of this Prospectus for further details.)

Amenities and transportation infrastructure near the Properties and Shiqi Metro Mall may not be implemented as planned, or may be closed, relocated, terminated, delayed or not completed.

The proximity of transportation amenities and infrastructure to the Properties and Shiqi Metro Mall such as train stations and bus interchanges provide convenient access to the Properties and Shiqi Metro Mall and a constant flow of shopper traffic. There is no assurance that amenities, transportation infrastructure and public transport services near the Properties and Shiqi Metro Mall will be implemented as planned or will not be closed, relocated, terminated, delayed or completed. If such an event were to occur, it will adversely impact the accessibility of the relevant Property or Shiqi Metro Mall and the attractiveness and marketability of the relevant Property or Shiqi Metro Mall to tenants. This may have an adverse effect on the demand and the rental rates for the relevant Property or Shiqi Metro Mall and adversely affect the business, financial condition and results of operations of Dasin Retail Trust.
The due diligence exercise on the Properties and Shiqi Metro Mall, tenancies, buildings and equipment may not have identified all material defects, breaches of laws and regulations and other deficiencies.

The Trustee-Manager believes that reasonable due diligence investigations have been conducted with respect to the Properties and Shiqi Metro Mall prior to their acquisition. However, there is no assurance that the Properties or Shiqi Metro Mall will not have defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects in the Properties) thereby incurring significant capital expenditures, payments or other obligations to third parties, or be affected by breaches of laws and regulations. Some of the Properties or Shiqi Metro Mall may be in breach of relevant laws and regulations, which the Trustee-Manager’s due diligence investigations did not uncover. Statutory or contractual representations, warranties and indemnities given by any developer or seller of real estate may not be able to afford satisfactory protection from costs or liabilities arising from such property or equipment defects. As a result, Dasin Retail Trust may incur additional financial or other obligations in relation to remediying such breaches or non-compliance defects or deficiencies, which may have a material adverse effect on Dasin Retail Trust's earnings and cash flows.

The representations, warranties and indemnities granted in favour of Dasin Retail Trust by the vendors are subject to limitations.

Any representations, warranties and indemnities made in favour of Dasin Retail Trust by the respective vendors under the Sale and Purchase Agreements and the Shiqi Framework Agreement (see “Certain Agreements Relating to Dasin Retail Trust and the Properties” of this Prospectus for further details) are subject to limitations as to their scope and as to the amount and timing of claims which can be made thereunder. Accordingly, there can be no assurance that Dasin Retail Trust will be entitled to be reimbursed or compensated under such representations, warranties and indemnities for any or all losses or liabilities suffered or incurred by it as a result of its acquisition and/or development of the Properties or Shiqi Metro Mall.

Losses or liabilities from latent property or equipment defects may adversely affect earnings and cash flow.

Design, construction or other latent property or equipment defects in the Properties and Shiqi Metro Mall may require additional capital expenditure, special repair, maintenance expenses or the payment of damages or other obligations to third parties.

Statutory or contractual representations, warranties and indemnities given by any seller of retail properties are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

Costs or liabilities arising from such property or equipment defects may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on Dasin Retail Trust's earnings and cash flows.

Renovation or development works or physical damage to any of the Properties or Shiqi Metro Mall may disrupt the operations of the affected property and collection of rental income or otherwise result in adverse impact on the financial condition of Dasin Retail Trust.

The quality and design of the Properties and Shiqi Metro Mall have a direct influence over the demand for space in, and the rental rates of, the Properties and Shiqi Metro Mall, as well as the ability to continue attracting strong shopper traffic. The Properties and Shiqi Metro Mall may need to undergo renovation or development works from time to time to retain their competitiveness and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that
may develop or because of new planning laws or regulations. The costs of maintaining retail properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. The business and operations of the Properties and Shiqi Metro Mall may suffer some disruption and it may not be possible to collect the full or any rental income on space affected by such renovation or redevelopment works.

In addition, physical damage to any of the Properties or Shiqi Metro Mall resulting from fire or other causes may lead to a significant disruption to the business and operation of the affected property and, together with the foregoing, may impose unbudgeted costs on Dasin Retail Trust and result in an adverse impact on the financial condition and results of operations of Dasin Retail Trust and its ability to make distributions.

_Dasin Retail Trust may suffer material losses in excess of insurance proceeds._

The Properties and Shiqi Metro Mall face the risks of suffering physical damage caused by fire, earthquakes or other acts of God or other causes, as well as face potential public liability claims, including claims arising from the operations of the Properties and Shiqi Metro Mall, all of which may result in losses (including loss of rent) and Dasin Retail Trust or the relevant PRC Property Companies may not be fully compensated by insurance proceeds. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future.

In addition, certain types of risks (such as acts of war and terrorism) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Currently, the Properties are covered by insurance which include fire accident, property damage and public liability (including personal injury). As at the Latest Practicable Date, as Shiqi Metro Mall is mortgaged to certain banks and financial institutions pursuant to loan facilities taken out by the Sponsor and its related entities, the beneficiaries of the insurance policies taken up by Shiqi Metro Mall are the banks and financial institutions. Subsequently, if the loan facilities and mortgages are discharged before the expiry date of the relevant insurance policies, the Sponsor will transfer such insurance policies to the rental management company or property holding company of Shiqi Metro Mall. Any new insurance policies for Shiqi Metro Mall will be taken out by Dasin Retail Trust following its acquisition of Shiqi Metro Mall. Dasin Retail Trust’s insurance policies for the Properties and Shiqi Metro Mall in the Initial Portfolio do not cover acts of war and terrorism. Should an uninsured loss occur, Dasin Retail Trust could be required to pay compensation to claimants and/or lose capital invested in the affected property as well as anticipated future revenue from such property. Dasin Retail Trust will also remain liable for any debt or other financial obligation related to that property.

_There is no assurance that the Properties and Shiqi Metro Mall will be able to maintain rental rates at prevailing market rates._

The rental rates of the Properties and Shiqi Metro Mall will depend upon various factors, including, but not limited to, prevailing supply and demand conditions as well as the quality and design of the Properties and Shiqi Metro Mall. There is no assurance that the Trustee-Manager will be able to procure new leases or renew existing leases at these prevailing market rates.

_The Properties, Shiqi Metro Mall and properties to be acquired by Dasin Retail Trust may require periodic capital expenditure and Dasin Retail Trust may not be able to secure financing to fund the necessary works._

Dasin Retail Trust may require periodic capital expenditure, refurbishment, renovation for improvements and development of the Properties, Shiqi Metro Mall or properties to be acquired by Dasin Retail Trust in order to remain competitive or be income-producing. Dasin Retail Trust may not be able to fund capital expenditure solely from cash provided from its operating activities.
and may not be able to obtain additional equity or debt financing on favourable terms or at all. If Dasin Retail Trust is not able to obtain such financing, the marketability of such property may be affected.

**Dasin Retail Trust may face increased competition from other properties or future retail developments in PRC.**

Factors that affect the ability of retail properties to attract or retain tenants include the attractiveness of the building and the surrounding areas to prospective tenants and their customers or clients and the quality of the building’s existing tenants. The Properties and Shiqi Metro Mall face competition from other retail developments operating in the same or other areas, including shopping malls owned by the Sponsor as well as other retail malls that may be developed in the future. Dasin Retail Trust's competitors may own and operate newer, better located and more attractive retail developments than Dasin Retail Trust. An increase in the number of such competing properties, particularly in close proximity to the Properties and Shiqi Metro Mall, may increase competition for customer traffic and reduce the relative attractiveness of Dasin Retail Trust's department stores and hypermarkets. These and other actions by Dasin Retail Trust's competitors may cause Dasin Retail Trust to respond by incurring additional costs in order to make the Properties and Shiqi Metro Mall more appealing to customers, adopting more aggressive marketing initiatives or executing our growth strategy more rapidly, all of which may be unsuccessful.

The income from, and market value of, the Properties and Shiqi Metro Mall will be dependent on the ability of the Properties and Shiqi Metro Mall to compete against other properties for tenants. If, after the Offering, competing properties are more successful in attracting and retaining tenants, increased competition may adversely impact the lessees of the Properties and Shiqi Metro Mall and consequently affect its ability to make rental payments or affect its decision to renew the tenancy agreements which will in turn adversely affect Dasin Retail Trust’s cash flow, business, financial condition and results of operation and the amount of funds available for distribution to Unitholders.

(See “Business and Properties – Competition” of this Prospectus for further details.)

**Dasin Retail Trust’s assets might be adversely affected if the Trustee-Manager and the Property Manager do not provide adequate management and maintenance.**

Should the Trustee-Manager and the Property Manager fail to provide adequate management and maintenance, the value of Dasin Retail Trust’s assets might be adversely affected and this may result in a loss of tenants, which will adversely affect distributions to Unitholders.

**The market values of the Properties and Shiqi Metro Mall may differ from their appraised values obtained from the Independent Valuers.**

Property valuations generally include a subjective determination of certain factors relating to the relevant properties, such as their relative market positions, applicable capitalisation rates, expected maintenance costs, competitive strengths and their physical condition. There can be no assurance that the relevant Properties and Shiqi Metro Mall can continue to be leased out at the same or higher market rates which the property valuations were based on. New property valuations may also become necessary to reflect any findings or facts discovered or which occurred after the date of valuation.

In addition, it may be necessary to use research methods beyond the expertise of the Independent Valuers, necessitating the employment of third-party experts, whose accuracy of research conducted cannot be guaranteed. The market values of the Properties and Shiqi Metro Mall may therefore differ from the values as determined by the Independent Valuers. The values of the
Properties and Shiqi Metro Mall (as determined by the Independent Valuers) are not an indication of, and do not guarantee, a sale price at that value at present or in the future. The price at which Dasin Retail Trust may sell a property may be lower than its value as determined by the Independent Valuers.

**Dasin Retail Trust could incur significant costs or liability related to environmental matters.**

The operations of Dasin Retail Trust are subject to various environmental laws, including those relating to air pollution control, water pollution control, waste disposal, noise pollution control and the storage of dangerous goods. Under these laws, an owner or operator of real property may be subject to liability, including a fine or imprisonment, for air pollution, noise pollution or the presence or discharge of hazardous or toxic chemicals at that property. In addition, Dasin Retail Trust may be required to make capital expenditures to comply with these environmental laws. The presence of contamination, air pollution, noise pollution or dangerous goods may expose Dasin Retail Trust to liability or materially adversely affect its ability to sell or lease the real property or to borrow using the real property as collateral. Accordingly, if the Properties or Shiqi Metro Mall are affected by contamination or other environmental effects not previously identified and/or rectified, Dasin Retail Trust risks prosecution by environmental authorities and may be required to incur unbudgeted capital expenditure to remedy such issue. Such costs or liabilities may have an adverse impact on Dasin Retail Trust.

**RISKS RELATING TO DASIN RETAIL TRUST’S OPERATIONS**

**Dasin Retail Trust may not be able to acquire the Doumen Metro Mall Development Project, and even if it does so, it may face risks associated with acquiring property developments.**

There can be no assurance that Dasin Retail Trust will be able to acquire the Doumen Metro Mall Development Project, as the sale and purchase agreement for the acquisition of the Doumen Metro Mall Development Project (which is entered into upon the exercise of the Doumen Purchase Option by Singapore Holdco), is subject to various factors, including the obtaining of all licences, permits and approvals necessary for the acquisition. In addition, though Singapore Holdco has been granted the option, the acquisition of the Doumen Metro Mall Development Project is still subject to, among others, the entry into of the relevant legal documentation and the cooperation of the Sponsor to enable Dasin Retail Trust to acquire the Doumen Metro Mall Development Project.

In the event Dasin Retail Trust is unable to proceed with the acquisition of the Doumen Metro Mall Development Project, the NAV growth of Dasin Retail Trust may be adversely affected.

Even if Dasin Retail Trust successfully exercises the Doumen Purchase Option and acquires the Doumen Metro Mall Development Project, undertaking development work involves various risks, including regulatory, construction and financing risks, as well as the risk that the assets upon their completion will be unable to yield the anticipated income. These risks may be more pronounced in an emerging market like PRC, which may subject Dasin Retail Trust to discretionary regulatory controls, changes in the laws, regulations, or contracts governing the development projects.

Dasin Retail Trust's decision to exercise the Doumen Purchase Option and acquire the Doumen Metro Mall Development Project, which is a property development project, is based upon the Trustee-Manager's assessment of the potential market demand for retail space. There is no guarantee that there will be a demand for this property development project when completed, whether due to depressed market conditions or other factors. For example, tenants may not be found in a timely manner, and leases may not be entered into on satisfactory terms due to the low demand. Any significant periods of vacancy or unfavourable lease terms will adversely affect Dasin Retail Trust's Gross Revenue.
In addition, any property development project undertaken by Dasin Retail Trust may encounter delays, delivery defects and legal disputes with contractors, and may incur unexpected expenses and liabilities, resulting in losses for which Dasin Retail Trust may not be adequately compensated by insurance proceeds and/or contractual indemnities. This may adversely affect the business, financial condition and the results of operations of Dasin Retail Trust.

**Dasin Retail Trust and the Trustee-Manager have little operating history or track record which may make it more difficult for investors to assess Dasin Retail Trust’s future performance.**

Dasin Retail Trust was constituted on 15 January 2016, and the Trustee-Manager was incorporated on 14 August 2015, under the laws of Singapore. As such, the operating history of Dasin Retail Trust and track record of the Trustee-Manager are not sufficiently established for their past performance to be judged. This will make it difficult for investors to assess Dasin Retail Trust's future performance and prospects.

There can also be no assurance that Dasin Retail Trust will be able to achieve the forecast and projection or make the distributions set out in “Profit Forecast and Profit Projection” of this Prospectus.

**Any breach by the major tenants of their obligations under the lease agreements or downturn in their businesses may have an adverse effect on Dasin Retail Trust.**

In the event that any major tenants of Dasin Retail Trust are unable to pay their rent or breach their obligations under the lease agreements, the level of Distributable Income may be adversely affected. The performance of the major tenants’ other businesses could also have an impact on their ability to make rental payments to Dasin Retail Trust.

Factors that affect the ability of such major tenants to meet their obligations include, but are not limited to:

- their financial position;
- the local economies in which they have business operations;
- the ability of such major tenants to compete with its competitors;
- in the instance where such major tenants have sub-leased the Properties, the failure of the sub-tenants to pay rent; and
- material losses in excess of insurance proceeds.

**A substantial number of the Properties’ and Shiqi Metro Mall’s leases are for terms of less than or equal to three years, which exposes the Properties and Shiqi Metro Mall to significant rates of lease expiries each year.**

As at 30 June 2016, approximately 54.1% of the leases (by Gross Rental Income for the month of June 2016) and approximately 28.7% of the leases (by NLA) in the Properties and Shiqi Metro Mall are for terms of less than or equal to three years, and approximately 48.1% of the leases (by Gross Rental Income for the month of June 2016) and approximately 23.7% of the leases (by NLA) in the Properties are for terms of less than or equal to three years. The weighted average lease period for the remaining 45.6% of the leases (by Gross Rental Income for the month of June 2016) in the Properties and Shiqi Metro Mall is 7.9 years. The weighted average lease period for the remaining 70.4% of the leases (by NLA) in the Properties and Shiqi Metro Mall is 9.7 years. The weighted average lease period for the remaining 51.9% of the leases (by Gross Rental Income for
the month of June 2016) in the Properties is 8.0 years. The weighted average lease period for the remaining 75.5% of the leases (by NLA) in the Properties is 10.6 years. The Properties and Shiqi Metro Mall experience lease cycles in which a substantial number of the leases expire each year.

Vacancies following the non-renewal of leases may lead to reduced occupancy rates. If a large number of tenants do not renew their leases in a year in which a substantial number of leases expire, this could adversely affect the business, financial condition and results of operations of Dasin Retail Trust.

Dasin Retail Trust operates in a capital intensive industry that relies on the availability of sizeable amounts of capital for the acquisition or development of properties.

Dasin Retail Trust has put in place the Facilities up to approximately RMB 2.5 billion. (See “Capitalisation and Indebtedness – Indebtedness” of this Prospectus for further details.) The acquisition of the Properties will be funded from a combination of the proceeds of the Offering and part of the Facilities, while the acquisition of Shiqi Metro Mall will be wholly financed by debt. The Trustee-Manager expects Dasin Retail Trust to have significant funding needs for its existing business operations and to grow its business. Dasin Retail Trust intends to fund these requirements through a combination of its internal cash flows and resources, proceeds from the issuance of new equity and borrowings.

In addition, under the terms of the Business Licence of Zhongshan Yuanxin and the Ocean Metro Mall Sale and Purchase Agreement, Yuan Xin Investments Pte. Ltd., as its sole shareholder, is required to make a capital contribution of approximately RMB 350.5 million to Zhongshan Yuanxin within three years from the date of issue of such Business Licence (being 3 March 2019), for which Zhongshan Yuanxin had on 1 June 2016 been granted a further extension of three years to 3 March 2022. (See “Certain Agreements Relating to Dasin Retail Trust and the Properties – Sale and Purchase Agreements – Ocean Metro Mall Sale and Purchase Agreement” of this Prospectus for further details.) In the event that Yuan Xin Investments Pte. Ltd. is unable to obtain sufficient funding to meet such capital contribution requirements within the six years timeframe, Yuan Xin Investments Pte. Ltd. may be subject to an imposition of a fine between 5.0% to 15.0% of the said capital contribution amount, as well as be required by the authorities to pay the outstanding capital contribution where application for the liquidation of Zhongshan Yuanxin has been made. Each of the original shareholders of Zhongshan Yuanxin, being Dasin Property Investment and Beijing Yin Gang, had on 1 June 2016 provided an undertaking to Yuan Xin Investments Pte. Ltd. to waive any claim against Yuan Xin Investments Pte. Ltd. and Dasin Retail Trust that may arise out of such capital contribution obligation under the Ocean Metro Mall Sale and Purchase Agreement.

There is no assurance that Dasin Retail Trust would be able to obtain financing, whether on a short-term or a long-term basis, if at all, on terms that are commercially acceptable. There is also no assurance that any additional financing will not be dilutive to Unitholders. Factors that could affect Dasin Retail Trust's ability to procure financing include Dasin Retail Trust's financial position, results of operation or cash flow, the property market's cyclical nature, any impairment of financial systems in the event of a downturn in financial markets and market disruption risks, which could adversely affect the liquidity, interest rates and availability of credit.

In addition, in respect of availability of credit from banks, changes in the reserve requirement ratio will affect the amount of funds that banks must hold in reserve against deposits made by their customers. Any future increase in the reserve requirement ratio will further reduce the amount of bank credit available to businesses, including Dasin Retail Trust. Under certain circumstances (such as consolidation in the banking industry or banks being required to reduce their exposure to a particular company, sector or industry), lending banks may be forced to reduce their loan portfolio, in which case, there can be no assurance that Dasin Retail Trust would be able to obtain new loans or refinance its existing debt and Dasin Retail Trust may be required to repay part of its loans.
Failure to obtain financing or refinancing on commercially acceptable terms when required, may result in Dasin Retail Trust not having adequate funds to fund its operations, acquisitions or development of properties, or to service its financing obligations which would have a material adverse effect on Dasin Retail Trust's financial position, results of operations, cash flows and prospects.

Future credit facilities may contain covenants that require the creation of security interests over assets or limit Dasin Retail Trust's flexibility in its operations or financing activities. Such covenants may include negative pledges, restrictions on indebtedness, maintenance of certain financial ratios and prohibition of amendments to material documents, amongst others. Breach of these covenants could result in defaults under the relevant financing instruments. If Dasin Retail Trust defaults under its financing instruments and is unable to cure the default or obtain refinancing on favourable terms, it would have a material adverse effect on Dasin Retail Trust's financial position, results of operations, cash flows and prospects.

The PRC VAT reforms for the real estate and construction industry, effective from 1 May 2016, may have an adverse impact on the financial condition of Dasin Retail Trust.

Under the business tax ("BT") regime, leasing and sales of immovable properties in PRC are subject to BT at 5.0%. However, the BT regime has been phased out following the last phase of the VAT reform, effective from 1 May 2016, which covers the construction industry, real estate industry, finance industry and life-style service industry.

The detailed implementation rules ("DIR") for this last phase of the VAT reform are set out in Caishui [2016] No. 36 《财税[2016]36号文》 ("Circular 36") jointly issued by the Ministry of Finance of PRC (中华人民共和国财政部) ("MOF") and the State Administration of Taxation of PRC ("SAT") on 23 March 2016. Pursuant to Circular 36, the applicable VAT rate for a general VAT payer in the real estate industry and construction industry is 11.0%. Leasing and sales of immovable properties in PRC will therefore be subject to VAT at 11.0%.

Circular 36 also provides for various transitional rules, including allowing general VAT payers to choose to adopt simplified computation method at a lower VAT rate of 5.0% for (i) leasing income derived from immovable properties that were acquired on or before 30 April 2016 and (ii) the sale of immovable properties that were acquired on or before 30 April 2016. Input VAT credit is however not allowed under the simplified computation method.

As the Initial Portfolio was acquired by the PRC Property Companies on or before 30 April 2016, each of the PRC Property Companies and the Rental Management Companies have confirmed with the Zhongshan Municipal Office, the State Administration of Taxation (中山市国家税务局) that they will adopt the simplified collection method on leasing income derived on or after 1 May 2016.

Given that the DIR is new, there are various issues that have not been adequately addressed in the DIR and which are subject to further clarifications by the local in-charge tax bureau and the State Administration of Taxation. Specifically, it is not certain that the Rental Management Companies will continue to be eligible for the simplified collection method on subsequent renewal of the existing lease agreements with the PRC Property Companies. If the Rental Management Companies are unable to continue to apply the simplified collection method and are consequently not able to adequately pass on the tax increase from 5.0% to 11.0% VAT to their tenants, this may result in additional tax burden, which may have an adverse impact on the overall financial results of the Dasin Retail Trust Group, as well as distributions to Unitholders.

The Profit Forecast and Profit Projection have been prepared on the basis that the PRC Property Companies and the Rental Management Companies (including those relating to Shiqi Metro Mall) are under the VAT regime according to the practices adopted by the relevant local tax authorities. However, in view that the DIR has not adequately addressed certain issues, there is no assurance
that the actual impact of VAT will not turn out to be different from that which has been factored into the Profit Forecast and Profit Projection. Hence, there is no assurance that the VAT regime will not have an adverse impact on the overall financial results of the Dasin Retail Trust Group, as well as the distributions to Unitholders.

**Dasin Retail Trust’s financial position, results of operations and prospects may be adversely affected by an increase in direct expenses and other operating expenses.**

Dasin Retail Trust's financial position, results of operations and prospects could be adversely affected if direct expenses and other operating expenses increase without a corresponding increase in revenue. Factors which could increase direct expenses and other operating expenses include and may not be limited to any:

- increase in costs associated with the development of properties;
- increase in property tax assessments and other statutory charges;
- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- increase in labour costs;
- increase in repair and maintenance costs;
- increase in the rate of inflation;
- increase in insurance premiums; and
- increase in cost of utilities.

**Dasin Retail Trust’s ability to make distributions to Unitholders is dependent on many factors which include the financial position of Dasin Retail Trust as a whole and the application of and interpretation of PRC laws and regulations.**

Dasin Retail Trust’s Properties and Shiqi Metro Mall are held via the Singapore Holding Companies in Singapore through the PRC Property Companies and the Shiqi PRC Property Company, in PRC and the Trustee-Manager will, directly or indirectly, receive dividend payments and other distributions from the PRC Property Companies or Shiqi PRC Property Company, the Rental Management Companies, the Shiqi Rental Management Company and the Singapore Holding Companies. In order to meet its payment obligations and to make distributions to the Unitholders, Dasin Retail Trust will rely on the receipt of dividends from the PRC Property Companies, the Shiqi PRC Property Company, the Rental Management Companies, the Shiqi Rental Management Company and the Singapore Holding Companies, principal repayment of shareholder loans extended by Dasin Retail Trust to the Singapore Holding Companies.

There can be no assurance that the Singapore Holding Companies, the Rental Management Companies, Shiqi Rental Management Company, the PRC Property Companies and Shiqi PRC Property Company will have sufficient distributable or realised profits or cash in any future period to support the payment of distributions to Unitholders. The level of profit or cash in the Singapore Holding Companies, the Rental Management Companies, Shiqi Rental Management Company, the PRC Property Companies and Shiqi PRC Property Company available to support the payment of distributions to Unitholders may be affected by a number of factors, including, among other things:

- their respective business and financial positions;
• the availability of profits of the PRC Property Companies, Shiqi PRC Property Company or the Rental Management Companies. For example, under current provisions in China company law, a WFOE, before distributing its after-tax profits for a given year is required to allocate 10.0% of that year’s profits to a statutory surplus reserve so long as the aggregate amount of such reserve is less than 50.0% of its registered capital. For the avoidance of doubt, no allocation of profits to the WFOE’s statutory surplus reserve is required if the aggregate amount of such reserve exceeds 50.0% of the WFOE’s registered capital, even if the amount of such reserve is less than 100.0% of the WFOE’s registered capital. As at 30 June 2016, the statutory surplus reserves of each of the PRC Property Companies or Rental Management Companies has not reached 50.0% of the respective registered capital. There is no assurance that these thresholds will not be increased in future to adversely affect the level of distributable profits of the PRC Property Companies, Shiqi PRC Property Company or the Rental Management Companies;

• insufficient cash flows received by the Rental Management Companies, the PRC Property Companies from the Properties or by Shiqi PRC Property Company from Shiqi Metro Mall;

• changes in accounting standards (including standards in respect of depreciation policies relating to real estate investment properties), real estate and taxation laws and regulations, laws and regulations in respect of foreign exchange and repatriation of funds, corporation laws and regulations (including laws and regulations in respect of statutory surplus reserves required to be maintained by the PRC Property Companies, the Shiqi PRC Property Company or the Rental Management Companies);

• the application and interpretation of real estate, taxation, security, foreign exchange and/or other laws and regulations which may affect the amount of cash available to make distributions to Unitholders. For example, it is possible that offshore loans may be drawn down to fund part of the amount of Distributable Income that exceeds the amount of cash that can be repatriated back to Singapore (for example, cash which may be trapped in China in the PRC Property Companies or the Shiqi PRC Property Company due to the depreciation of real estate being a mandatory accounting expense under PRC accounting standards, as a PRC company can distribute dividends only to the extent of the amount of its retained earnings/accounting profits, after setting aside statutory surplus reserves, where applicable). While no material risks are currently anticipated from previous practice, the application and interpretation of applicable PRC laws and regulations (including, without limitation, those in respect of taxation and foreign exchange) may be subject to change. There can be no assurance that the application and interpretation of applicable laws and regulations in the future will not preclude the aforementioned arrangements undertaken by Dasin Retail Trust in respect of the PRC Property Companies or the Shiqi PRC Property Company, or assurance that the application and interpretation of applicable laws and regulations in the future will not adversely affect the amount of cash available for distribution by the PRC Property Companies, the Shiqi PRC Property Company, the Rental Management Companies or the Shiqi Rental Management Company. Further, the on-going international discussion and debate over base erosion and profit shifting, an initiative spearheaded by the Organisation for Economic Co-operation and Development to overhaul the international tax architecture, could lead to future changes and developments in the PRC tax laws, regulations and practices and there is no assurance that such changes and developments will not have an adverse tax impact on, among others, any offshore loans arrangement;

• operating losses incurred by the Rental Management Companies, the PRC Property Companies or the Shiqi PRC Property Company in any financial year; and
• losses arising from a revaluation of the Properties or Shiqi Metro Mall. Such losses may become realised losses, such as in the event the Properties or Shiqi Metro Mall are divested by Dasin Retail Trust, which would adversely affect the level of realised profits from which the PRC Property Companies or the Shiqi PRC Property Company may distribute dividends.

The occurrence of these or other factors that affect the ability of the PRC Property Companies, Shiqi PRC Property Company, the Rental Management Companies, Shiqi Rental Management Company and the Singapore Holding Companies to pay dividends and/or other distributions would adversely affect the level of distributions paid to Unitholders.

(See “Distributions” of this Prospectus for further details.)

_The Trustee-Manager’s strategy to initiate asset enhancement on some of the Properties and Shiqi Metro Mall from time to time may not materialise._

The Trustee-Manager may from time to time initiate asset enhancement on some of the Properties and Shiqi Metro Mall. There is no assurance that such plans for asset enhancement will materialise, or in the event that they do materialise, they may not achieve their desired results or may incur significant costs.

_Potential competition may arise in the future between Dasin Retail Trust and the Sponsor._

Potential competition may arise in the future between Dasin Retail Trust and the Sponsor. The Sponsor’s principal business is focused on the development and management of real estate, including the development and operation of retail malls. Post-listing of Dasin Retail Trust, the Sponsor’s business would continue to be focused on the development and operation of retail properties.

While each of the Zhang Vendors and Mr. Zhang Zhencheng has granted the Sponsor ROFR to the Trustee-Manager in order to demonstrate the commitment of the Sponsor and as a means to mitigate any potential conflict of interests which may arise in the future, potential competition may arise between Dasin Retail Trust and the Sponsor in relation to any future acquisition of additional properties or property-related investments or in relation to competition for tenants.

(See “Certain Agreements Relating to Dasin Retail Trust and the Properties – Sponsor ROFR” of this Prospectus for further details.)

_The Sponsor ROFR will be terminated if the conditions to the Sponsor ROFR remaining in full force and effect are not satisfied._

To facilitate acquisition growth, each of the Zhang Vendors and Mr. Zhang Zhencheng has voluntarily granted the Sponsor ROFR to Dasin Retail Trust over any future sales by a Relevant Entity (as defined herein) of any interest over income-producing real estate or any property development, located in Greater China, which is used primarily for retail purposes.

The rights under the Sponsor ROFR which are granted to Dasin Retail Trust are subject to certain conditions. For example, in the event that (i) Dasin Retail Trust ceases to be listed on and quoted for on the Main Board of the SGX-ST; or (ii) any one of the Zhang Vendors, Mr. Zhang Zhencheng, any of the entities in which any one of the Zhang Vendors and Mr. Zhang Zhencheng hold more than 50.0% of the voting rights or controls, any of the immediate family of any of the Zhang Vendors and/or Mr. Zhang Zhencheng, and/or any of the entities in which their immediate family hold more than 50.0% of the voting rights or controls, alone or in aggregate, ceases to be a controlling shareholder of the trustee-manager of Dasin Retail Trust, the Sponsor ROFR will be terminated. This may adversely affect Dasin Retail Trust's pipeline of future acquisitions.
The amount Dasin Retail Trust may borrow is subject to the aggregate leverage limit set out in the Trust Deed, which may affect the operations of Dasin Retail Trust.

Dasin Retail Trust has in the Trust Deed voluntarily adopted an aggregate leverage limit of 60.0% of the value of the Trust Property. Any variation of the borrowing powers as contained in the Trust Deed would require the approval of the Unitholders by way of an Extraordinary Resolution held at a Unitholders’ general meeting convened in accordance with the Trust Deed and such other regulatory approvals as may be required to vary the terms of the Trust Deed.

As at the Listing Date, the indicative aggregate leverage of Dasin Retail Trust is expected to be approximately 27.3%. Following the acquisition of Shiqi Metro Mall on the Target Shiqi Acquisition Date, the indicative aggregate leverage of Dasin Retail Trust is expected to be approximately 33.6%.

Dasin Retail Trust may, from time to time, require further debt financing to achieve its investment strategy. In the event that Dasin Retail Trust decides to incur additional borrowings in the future, Dasin Retail Trust may face adverse business consequences as a result of this limitation on future borrowings, and these may include:

- an inability to fund capital expenditure requirements in relation to Dasin Retail Trust’s existing asset portfolio or in relation to Dasin Retail Trust’s acquisitions to expand its portfolio;
- a decline in the value of the Trust Property may cause the borrowing limit to be exceeded, thus affecting Dasin Retail Trust’s ability to make further borrowings; and
- cash flow shortages (including with respect to distributions) which Dasin Retail Trust might otherwise be able to resolve by borrowing funds.

Dasin Retail Trust may face risks associated with the Facilities, debt financing (including the debt financing of Shiqi Metro Mall), and the debt covenants could limit or affect Dasin Retail Trust’s operations.

Dasin Retail Trust has put in place the Facilities equivalent to approximately RMB 2.5 billion. In addition, the Trustee-Manager intends to finance the acquisition of Shiqi Metro Mall wholly by debt. As such, Dasin Retail Trust is subject to risks associated with the Facilities and the debt financing for the acquisition of Shiqi Metro Mall, including the risk that its cash flow will be insufficient to meet the required payments of principal and interest under such financing or its inability to comply with or maintain certain financial covenants or security ratios under such debt facilities. Dasin Retail Trust is also exposed to fluctuations in interest rates in respect of the portion of the gross borrowings which are subject to floating interest rates, and any rise in the prevailing interest rates may increase the quantum of interest payable by Dasin Retail Trust.

Dasin Retail Trust will distribute 100.0% of its Distributable Income in respect of Forecast Year 2017 and Projection Year 2018, and at least 90.0% of its Distributable Income in respect of FY2019 and onwards. As a result of this distribution policy, Dasin Retail Trust may not be able to meet all of its obligations to repay any future borrowings through its cash flow from operations. Dasin Retail Trust may be required to repay maturing debt with funds from additional debt or equity financing or both. There is no assurance that such financing will be available on acceptable terms or at all.
If Dasin Retail Trust defaults under such debt facilities, the lenders may be able to declare an event of default requiring the immediate repayment of the outstanding amount under the debt facilities and initiate enforcement proceedings in respect of any security provided, and/or call upon any guarantees provided.

If Dasin Retail Trust’s property is mortgaged or otherwise encumbered, such property could be foreclosed by the lender or the lender could require a forced sale of the property and utilise the proceeds thereof to repay the principal and interest under the debt facilities, which will result in a loss of income and asset value to Dasin Retail Trust. (See “Capitalisation – Indebtedness” of this Prospectus for further details.)

If principal amounts due for repayment at maturity cannot be refinanced, refinanced without incurring additional upfront fees, extended or paid with proceeds from other capital sources, such as new equity capital, Dasin Retail Trust will not be able to pay distributions at expected levels to Unitholders or to repay all maturing debt.

Dasin Retail Trust may be subject to the risk that the terms of any refinancing undertaken will be less favourable than the terms of the original borrowings. In addition, Dasin Retail Trust may also be subject to certain covenants (including change of control covenants that require the Zhang Family Trust to maintain certain unitholdings in Dasin Retail Trust (for instance, under the Offshore Facilities (as defined herein), Mr. Zhang Zhencheng and/or any trust, wherein the beneficiaries of such trust is Mr. Zhang Zhencheng, Mr. Zhang Kaicheng, Mr. Zhang Jiucheng, Mr. Zhang Zhongming and/or any of their Immediate Family Members, shall remain to be the beneficial owner of in the aggregate, at least 51.0% of the Units during the term of the Offshore Facilities, and the terms of the Offshore Facilities do not provide for any cure period in respect of any breach in such change of control covenant), or that place restrictions on the change in control of the Trustee-Manager) that may limit or otherwise adversely affect its operations and its ability to make distributions to Unitholders. Such covenants may also restrict Dasin Retail Trust's ability to acquire properties or undertake other capital expenditure and may require it to set aside funds for maintenance or repayment of security deposits or require Dasin Retail Trust to maintain certain financial ratios (e.g. loan to value ratios). The triggering of any of such covenants may have an adverse impact on Dasin Retail Trust's financial condition, results of operations and ability to make distributions to Unitholders.

Dasin Retail Trust's level of borrowings (including the Facilities as well as the debt financing for the acquisition of Shiqi Metro Mall) may rise to a higher level of gearing as compared to certain other types of unit trusts, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. If prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make commercial property loans) result in higher interest rates, the interest expense relating to such refinanced indebtedness would increase, thereby adversely affecting Dasin Retail Trust’s cash flow and the amount of funds available for distribution to the Unitholders.

**Future acquisitions and development projects may not yield the returns expected, and may result in dilution of holdings.**

Dasin Retail Trust's external growth strategy and its asset selection process, as well as its future acquisitions and development projects may not ultimately be successful and may not provide positive returns to Unitholders.

There are risks associated with pursuing further acquisitions of retail-related assets and successfully integrating them into Dasin Retail Trust's portfolio. For example, the expected benefit, synergies or efficiencies from such acquisitions may take longer than expected to be
achieved or may not be achieved at all. Even if Dasin Retail Trust were able to successfully acquire property or investments, there is no assurance that Dasin Retail Trust will achieve its intended return or any positive returns on such acquisitions or investments.

In addition, any new Units issued in connection with any new acquisition or development project could also be dilutive to Unitholders.

**Dasin Retail Trust currently relies on third parties to carry out its retail development and asset enhancement projects.**

The development work for development projects Dasin Retail Trust undertakes in the future will be performed by third-party contractors or sub-contractors. Dasin Retail Trust will not have direct control over the day-to-day activities of such contractors or sub-contractors and will be reliant on such contractors or sub-contractors to perform these services in accordance with the relevant development contracts. If the contractors fail to perform their obligations in a manner consistent with their contracts, Dasin Retail Trust's projects may not be completed on schedule which will lead to cost overruns and losses. Even if the Trustee-Manager were to take any legal action against any third-party contractors or sub-contractors for any breach of their obligations, Dasin Retail Trust may not recover all or any losses incurred. In addition, if a contractor or sub-contractors engaged in the development of properties becomes insolvent, it may not be possible to recover compensation for such breaches and Dasin Retail Trust may incur losses as a result of having to fund the repair of the defective work or paying damages to persons who have suffered loss as a result of such breach of obligations by a contractor or subcontractor.

**Dasin Retail Trust is exposed to foreign exchange fluctuation risks.**

Dasin Retail Trust's revenue is derived primarily from RMB denominated dividend income, which include management fees payable to the Trustee-Manager, are mainly denominated in S$, and Dasin Retail Trust's finance costs are mainly denominated in S$, RMB and US$. As a result, Dasin Retail Trust is subject to foreign exchange exposure due to a mismatch in the currencies of its receipts and payments. To the extent of such mismatch, any significant appreciation or depreciation of the S$ against the RMB and US$ may cause Dasin Retail Trust to incur foreign exchange gains or losses. Additionally, foreign exchange fluctuations may also adversely affect the value of distributions that may be distributed to investors. For instance, when the PRC Property Company in PRC declares a dividend to the Singapore Holding Company in Singapore (which then declares a dividend to Singapore Holdco), it does so in RMB. The Singapore Holding Company will in turn record dividend income in Singapore dollars based on the exchange rate at the date on which the dividend is declared. However, when the dividend is actually received by the Singapore Holding Company, which will be after the date of declaration, movements in the foreign exchange rate between the RMB and S$ from the date of declaration of the dividend to the date of payment of the dividend may result in a foreign exchange loss, which may adversely affect the level of distributions that may be paid to investors.

Substantially all the revenues and costs of Dasin Retail Trust are denominated in RMB, while a significant portion of debt is denominated in S$, RMB and US$ (due to lower finance costs, taking into account the foreign exchange risks). To the extent that the Trustee-Manager needs to convert S$ or US$ into RMB for the operations of Dasin Retail Trust or for other business purposes, appreciation of the RMB against the S$ or US$ would have an adverse effect on the RMB amount that Dasin Retail Trust would receive from the conversion. Conversely, if the Trustee-Manager decides to convert RMB into S$ or US$ for the purpose of making interest or principal payments on the debt of Dasin Retail Trust or for other business purposes, appreciation of the S$ or US$ against the RMB would have a negative effect on the S$ or US$ amount that Dasin Retail Trust would receive from the conversion. Any such exchange losses may have a material adverse effect on the financial condition and, results of operations of Dasin Retail Trust, including reducing the NAV of Dasin Retail Trust and increasing its gearing.
In the event that the foreign exchange rates between the RMB, S$ and US$ fluctuate, resulting in the actual exchange rates for Forecast Year 2017 and Projection Year 2018 being different from what has been assumed for the Profit Forecast and Profit Projection in this Prospectus, Dasin Retail Trust’s actual results of operations and the value of its assets and liabilities for Forecast Year 2017 and Projection Year 2018 could differ from that shown in the Profit Forecast and Profit Projection in this Prospectus. An appreciation of the S$ against the RMB or US$ may materially and adversely affect Dasin Retail Trust’s actual reported financial results and level of distributions.

**Unitholders may not be able to evaluate future projects or assets which Dasin Retail Trust may invest in, and will have to rely on the Trustee-Manager’s ability to select suitable future investments.**

This Prospectus only describes the parameters which the Trustee-Manager intends to use to identify projects which Dasin Retail Trust may invest in and the policies to be adopted in respect of the development of those investments. Investors must rely on the Trustee-Manager to identify and acquire suitable future investment assets or projects. In addition, except for situations in which the future acquisitions require Unitholders’ approval under the Listing Manual, Unitholders will not be able to participate in the decision making process, and will not be able to evaluate the economic merit of particular projects prior to their acquisition.

**Dasin Retail Trust may from time to time be subject to legal proceedings and government proceedings.**

Legal proceedings against Dasin Retail Trust relating to property development, contracts and management and disputes over tenancies may arise from time to time (see “General Information – Material Background Information” of this Prospectus). There can be no assurance that Dasin Retail Trust will not be involved in such proceedings or that the outcome of these proceedings will not adversely affect the financial condition, results of operations or cash flow of Dasin Retail Trust.

Dasin Retail Trust and its subsidiaries are regulated by various government authorities and regulations. If any government authority of PRC believes that Dasin Retail Trust or any of its developers, suppliers or contractors are not in compliance with PRC regulations, it could delay the development process, refuse to grant or renew development approvals or licences, institute legal proceedings to seize the properties, enjoin future action or (in the case of Dasin Retail Trust not being in compliance with PRC regulations), impose civil, administrative and/or criminal penalties against such entity, its officers or employees. Any such action by a PRC government agency would have a material adverse effect on the business, financial condition, results of operation or cash flow of Dasin Retail Trust.

**The Trustee-Manager may not be able to successfully implement its investment strategy for Dasin Retail Trust.**

There is no assurance that the Trustee-Manager will be able to implement its investment strategy successfully or that it will be able to expand Dasin Retail Trust’s portfolio at any specified rate or to any specified size. The Trustee-Manager may not be able to make acquisitions or investments on favourable terms or within a desired time frame.

Dasin Retail Trust faces active competition in acquiring suitable properties. Dasin Retail Trust’s ability to make new property acquisitions under its acquisition growth strategy may thus be adversely affected. Even if Dasin Retail Trust were able to successfully acquire property or investments, there is no assurance that Dasin Retail Trust will achieve its intended return on such acquisitions or investments.
Since the amount of borrowings that Dasin Retail Trust can incur to finance acquisitions is limited by its Trust Deed, such acquisitions are likely to be largely dependent on Dasin Retail Trust’s ability to raise equity capital. This may result in a dilution of Unitholders’ holdings.

Potential vendors may view negatively the prolonged time frame and lack of certainty associated with the raising of equity capital to fund any such purchase. They may instead prefer other potential purchasers.

There may be significant competition for attractive investment opportunities from other property investors, including other real estate investment trusts, business trusts, retail property development companies and private investment funds. There is no assurance that Dasin Retail Trust will be able to compete effectively against such entities.

The proposed acquisition by Dasin Retail Trust of the ROFR Properties may require third party consents and there can be no assurance that such third parties will give such consent. For example, consents from regulatory authorities, financial institutions pursuant to covenants against sale or mortgages under the financing terms may not be obtained at all or on terms that are satisfactory to the Trustee-Manager. In addition, the Relevant Entity may sell the ROFR Properties at the most commercially favourable terms available to it and there can be no assurance that Dasin Retail Trust will be able to match the terms offered by third parties.

Further, the Trustee-Manager may from time to time initiate asset enhancement plans for some of its properties. There is no assurance that such plans for asset enhancement will materialise, or in the event that they do materialise, they may not achieve their desired results or may incur significant costs to Dasin Retail Trust.

_There is no assurance that Dasin Retail Trust will be able to leverage on the Sponsor’s experience in the marketing of the Properties._

Through the Commercial Manager, the Sponsor Group manages the Properties by providing quality marketing and promotional services to the Properties. Dasin Retail Trust is able to benefit from the marketing strategies of the Sponsor through the Commercial Manager, such as the launch of promotional events through the Dasin Pass platform and through joint marketing promotions with the Sponsor. In the event the Commercial Management Agreements are terminated or Dasin Retail Trust is unable to maintain its relationship with the Sponsor, Dasin Retail Trust may no longer be able to leverage on the Sponsor’s experience in the marketing of retail properties or the Sponsor’s financial strength, market reach and network of contacts to further its growth.

In such an event, Dasin Retail Trust may not be able to benefit from the range of corporate services which are available to owners of properties managed by the Sponsor Group. This may have a material and adverse impact on Dasin Retail Trust's results of operations and financial condition which may consequently affect its ability to make distributions to its Unitholders.

_Possible change of Dasin Retail Trust’s investment strategies may adversely affect Unitholders’ investments in Dasin Retail Trust._

As provided in the Listing Manual, the Trustee-Manager’s investment strategy may not be changed for a period of three years commencing from the Listing Date unless the change is approved by Unitholders by way of an Extraordinary Resolution and in accordance with the provisions of the Trust Deed. However, after a period of three years from the Listing Date, the Trustee-Manager may change the investment strategy without Unitholders’ approval, if it determines that such changes are in the best interest of Dasin Retail Trust and its Unitholders. There is no assurance that the Trustee-Manager’s investment strategy as described in this Prospectus will not be amended.
In addition, the methods of implementing Dasin Retail Trust’s investment strategies may vary as new investment and financing techniques are developed or otherwise used. Such changes may adversely affect Unitholders’ investment in Dasin Retail Trust.

**Dasin Retail Trust may be affected by adverse developments or negative publicity affecting the “Dasin” brand name.**

Dasin Retail Trust is closely associated with the “Dasin” brand name. Any degradation, adverse market developments and/or negative publicity relating to the “Dasin” brand name could therefore adversely affect the results of operations of the Initial Portfolio. Furthermore, any adverse developments, negative publicity and future financial challenges experienced by the Sponsor Group may indirectly result in negative perceptions of Dasin Retail Trust due to Dasin Retail Trust’s close association with the Sponsor, which could have a material adverse effect on Dasin Retail Trust’s financial condition and results of operations and, in turn, its ability to make distributions to Unitholders.

**The right of Dasin Retail Trust to use the “Dasin” brand name may cease.**

A licence agreement dated 27 December 2016 has been entered into between the Trustee-Manager, in its capacity as the trustee-manager of Dasin Retail Trust, and the Sponsor (the “Dasin Licence Agreement”) to allow Dasin Retail Trust to use, among others, the “Dasin” name and related trade marks for, among others, activities relating to Dasin Retail Trust and until the Trustee-Manager ceases to be the trustee-manager of Dasin Retail Trust for whatever reasons. If the Trustee-Manager ceases to have the right to use the “Dasin” brand name, this may adversely affect the marketing activities and operations of Dasin Retail Trust.

(See “Certain Agreements Relating to Dasin Retail Trust and the Properties – Dasin Licence Agreement” of this Prospectus for further details.)

**Dasin Retail Trust’s investment objective of investing in Greater China may entail a higher level of risk compared to unit trusts that have a more diverse range of investments.**

The risk of investing in Dasin Retail Trust, which invests in retail properties in Greater China, with the Initial Portfolio located in PRC, could be higher compared to unit trusts that have a more diverse range of investments.

Until Dasin Retail Trust diversifies its portfolio sufficiently to include assets beyond the border of the PRC, the concentration of investments in retail real estate assets located in PRC exposes Dasin Retail Trust to both a downturn in the retail real estate market and in the PRC economy. Any economic slowdown in PRC could adversely affect the performance of the retail real estate market in PRC as well as the financial condition or success of tenants, thereby adversely affecting the financial condition, results of operations or cash flow of Dasin Retail Trust. A prolonged economic downturn may cause higher levels of non-renewals of leases or vacancies as a result of failures or defaults by tenants. There can be no assurance that the tenants of Dasin Retail Trust’s properties will renew their leases or that any new lease terms will be as favourable as the existing leases. In the event that a tenant does not renew its lease, a replacement tenant or tenants would need to be identified, which could subject Dasin Retail Trust’s properties to periods of vacancy and/or costly retrofitting, resulting in a reduction in rental income or increase in operating expenses.
The Trustee-Manager might have limited information regarding investment opportunities which are undertaken on an expedited basis.

Investment analyses and decisions by the Trustee-Manager may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Trustee-Manager at the time of making an investment decision may be limited, and the Trustee-Manager may not have access to detailed information regarding the investment property, such as its physical characteristics, environmental matters, zoning regulations, tax or other local conditions affecting such investment property. The Trustee-Manager may not have sufficient time to complete the due diligence process that would disclose all relevant information on the investment property. Therefore, no assurance can be given that the Trustee-Manager would have knowledge of all circumstances that may adversely affect an investment. In addition, the Trustee-Manager expects to rely upon independent consultants in connection with its evaluation of proposed investment properties, and no assurance can be given as to the accuracy or completeness of the information provided by such independent consultants.

There may be difficulty in removing the Trustee-Manager.

Under the BTA, Unitholders may remove the trustee-manager of a registered business trust only if an Extraordinary Resolution is passed by Unitholders. Given that an Extraordinary Resolution is a resolution proposed and passed by a majority consisting of 75.0% or more of the total number of votes cast at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed, it may be difficult for the Trustee-Manager to be removed.

Dasin Retail Trust depends on certain key personnel and the loss of any key personnel may adversely affect its operations.

Dasin Retail Trust's performance depends, in part, upon the continued service and performance of the executive officers of the Trustee-Manager. (See “The Trustee-Manager – The Trustee-Manager of Dasin Retail Trust – Executive Officers of the Trustee-Manager” of this Prospectus for details of the executive officers.) For the avoidance of doubt, none of the Directors or Executive Officers of the Trustee-Manager are employees of the Sponsor or seconded from the Sponsor.

These key personnel may leave the Trustee-Manager in the future and compete with the Trustee-Manager and Dasin Retail Trust. If any of the above were to occur, the Trustee-Manager will need to spend time searching for replacement(s) and the duties which such executive officers are responsible for may be affected. The loss of any of these individuals could have a material adverse effect on Dasin Retail Trust’s operations.

Dasin Retail Trust may not be able to ensure that it will achieve capital growth.

The net operating profit earned from real estate investments and real estate developments depends on, among other factors, the increase in value of the properties resulting from developments, the amount of rental income received, and the level of property, operating and other expenses incurred. If the properties owned by Dasin Retail Trust do not generate sufficient net operating profit, Dasin Retail Trust’s income, cash flow and capital growth will be adversely affected. In addition, if Dasin Retail Trust does not have sufficient cash flow or distributable profits or surplus, or if Dasin Retail Trust does not make the expected level of distributions in any financial year or do not have sufficient funds to pay interest on or repay the principal amount of the shareholder loans (if any), this will adversely affect Dasin Retail Trust’s income, financial position, results of operations and cash flow.

Further, any change in the applicable laws in Singapore and PRC may limit Dasin Retail Trust’s capital growth or even diminish Dasin Retail Trust’s capital.
No assurance can be given as to Dasin Retail Trust’s rate of capital growth, or that there will be any. Neither is there any assurance that the rate of Dasin Retail Trust’s capital growth will increase over time, that there will be contractual increases in rent under the leases of the Properties or Shiqi Metro Mall or that the receipt of rental income in connection with the expansion of the properties or future acquisitions of properties will increase Dasin Retail Trust’s cash flow available for reinvestment into future development projects.

**Dasin Retail Trust faces risks associated with servicing and refinancing of existing and future debt facilities.**

As at the Listing Date, the indicative aggregate leverage of Dasin Retail Trust is expected to be approximately 27.3% of the value of the Trust Property. Following the acquisition of Shiqi Metro Mall on the Target Shiqi Acquisition Date, the indicative aggregate leverage of Dasin Retail Trust is expected to be approximately 33.6%. Dasin Retail Trust and its subsidiaries may, from time to time, require additional debt financing to achieve the Trustee-Manager’s investment strategies. There can be no assurance that such financing will be available at that time, on acceptable terms.

Dasin Retail Trust’s and its subsidiaries’ ability to generate sufficient cash to satisfy its outstanding and future debt obligations will depend upon its future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors which are beyond its control. There is no guarantee that Dasin Retail Trust and its subsidiaries will generate sufficient cash flow to meet all of their debt obligations. If Dasin Retail Trust and its subsidiaries are unable to service its debt facilities, Dasin Retail Trust and its subsidiaries will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing its indebtedness or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all.

If Dasin Retail Trust and/or its subsidiaries (as the case may be) are unable to make payments due under such debt facilities, or if principal amounts due for repayment at maturity cannot be refinanced, refinanced without incurring additional upfront fees, extended or repaid with proceeds from other capital transactions, the financial condition, cash flows and prospects of Dasin Retail Trust would be materially and adversely affected. Further, in the event of non-payment, breaches of terms and conditions of the debt facilities or accelerations or failure to refinance or extend the debt facilities, the lenders may be able to declare an event of default and initiate enforcement proceedings in respect of any security provided in respect of such borrowings and/or call upon the guarantees provided. In such situations, to the extent Dasin Retail Trust's properties are mortgaged or other forms of security interest are used to secure payment of debt facilities, such security could be foreclosed by the lender or the lender could require a forced sale of the mortgaged property and this may materially and adversely affect the business and financial condition and results of operations and prospects of Dasin Retail Trust and may result in a reduction of the NAV of the Units.

If Dasin Retail Trust and/or its subsidiaries have to refinance their indebtedness at a higher interest rate, the interest expense relating to such refinanced indebtedness would increase, thereby adversely affecting Dasin Retail Trust’s cash flow and the amount of funds available for its development projects.

Although Dasin Retail Trust’s existing debt facilities (see “Capitalisation and Indebtedness – Indebtedness – Dasin Retail Trust’s Existing Debt” of this Prospectus for further details on the existing debt facilities) do not contain any change of control provisions, the new Offshore Facilities contains change of control provisions and the breach of such provisions could result in default under the Offshore Facilities. (See “Capitalisation and Indebtedness – Indebtedness – The Offshore Facilities” of this Prospectus for further details.) If Dasin Retail Trust defaults under its financing instruments and is unable to cure the default, this would have a material adverse effect on Dasin Retail Trust’s financial position, results of operations, cash flows and prospects.
There is also the risk that foreign currency exchange rates and interest rate fluctuations may adversely affect repayments of borrowings by Dasin Retail Trust and/or its subsidiaries denominated in foreign currency.

**Dasin Retail Trust will engage in hedging transactions, which can limit gains and increase exposure to losses, and does not offer full protection against interest rate and exchange rate fluctuations.**

Dasin Retail Trust will enter into hedging transactions to protect itself or its portfolio from, among others, the effects of interest rate and currency exchange fluctuations on floating rate debt and interest rate and prepayment fluctuations. Hedging transactions may include entering into interest rate hedging instruments, purchasing or selling futures contracts, purchasing put and call options or entering into forward agreements.

These hedging activities may not have the desired beneficial impact on the results of operations or financial condition of Dasin Retail Trust. No hedging activity can completely insulate Dasin Retail Trust from risks associated with changes in interest rates and exchange rates, and changes in foreign exchange rates, for example, may negatively affect Dasin Retail Trust's asset value. Moreover, interest rate hedging could fail to protect Dasin Retail Trust or adversely affect Dasin Retail Trust because among others:

- the available hedging may not correspond directly with the risk for which protection is sought;
- the duration or nominal amount of the hedge may not match the duration of the related liability;
- the party owing money in the hedging transaction may default on its obligation to pay;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs Dasin Retail Trust's ability to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Downward adjustments and the significant loss in value of hedging instruments due to a write down to fair value would reduce the NAV of Dasin Retail Trust.

In addition, hedging activities involve risks and transaction costs, which may reduce overall returns and possibly limit the amount of cash available for distribution to Unitholders. These costs increase as the period covered by the hedging increases and during periods of rising and volatile interest rates. The Trustee-Manager will regularly monitor the suitability of engaging in such hedging transactions, taking into account the cost of such transactions.

**The occurrence of any acts of God, natural disasters, severe environmental pollution, war and terrorist attacks may adversely and materially affect the business and operations of Dasin Retail Trust's properties.**

Acts of God, natural disasters, and severe environmental pollution, are beyond the control of Dasin Retail Trust or the Trustee-Manager. These may materially and adversely affect the economy, infrastructure and livelihood of the local population. Dasin Retail Trust’s business and income available for distribution may be adversely affected should such acts of God occur. There is no assurance that a war, terrorist attack or any other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have an adverse effect on the operations of Dasin Retail Trust's properties and hence, Dasin Retail Trust’s income that is available for distribution.
In addition, physical damage to the properties resulting from fire, earthquakes or other acts of God may lead to a significant disruption to the business and operation of the properties. This may then result in an adverse impact on the business, financial condition and results of operations of Dasin Retail Trust and its capital growth.

Epidemic diseases in Asia and elsewhere may adversely affect the business and operations of Dasin Retail Trust.

Several countries in Asia have suffered from outbreaks of communicable diseases like Middle East Respiratory syndrome coronavirus (“MERS”), the Ebola virus disease, the avian flu, the Influenza A (“H1N1”) virus and severe acute respiratory syndrome. A new and prolonged outbreak of such diseases may have a material adverse effect on Dasin Retail Trust’s business and financial condition and the results of its operations. The long-term effect of such diseases may not currently be predicted, however, previous occurrences of such diseases had an adverse effect on the economies of those countries in which they were most prevalent. An outbreak of a communicable disease in PRC or in the particular region in which a property owned by Dasin Retail Trust is located may materially and adversely affect the business and financial condition and results of operations of Dasin Retail Trust.

Dasin Retail Trust may acquire asset-holding companies with contingent liabilities which may have a material adverse effect.

Dasin Retail Trust may acquire asset-holding companies in its ordinary course of business and may be subject to any underlying contingent liabilities which the asset-holding companies may have which may adversely affect Dasin Retail Trust’s business, financial condition and results of operations.

Dasin Retail Trust may not be able to exercise active control over entities in which it has minority interests.

Dasin Retail Trust may, in the course of acquisitions, acquire minority interests in real estate-related investment entities. There is no assurance that Dasin Retail Trust will be able to exercise active control over such entities and the management of such entities may develop objectives which are different from those of Dasin Retail Trust. The management of such entities may make decisions which could adversely affect the operations of Dasin Retail Trust and its ability to make distributions to Unitholders.

The laws, regulations and/or accounting standards in Singapore and PRC may change.

Dasin Retail Trust is a business trust constituted in Singapore while the PRC Property Companies and the Rental Management Companies are incorporated in PRC.

The laws, regulations and/or accounting standards in Singapore and/or PRC are subject to change. Dasin Retail Trust may be affected by the introduction of new or revised legislation, regulations or accounting standards. Accounting standards in PRC and Singapore are subject to changes as accounting standards in the country are further aligned with international accounting standards. The financial statements of Dasin Retail Trust and the financial position and results of Dasin Retail Trust as reflected by the financial statements may be affected by the introduction of such revised accounting standards. The extent and timing of these changes in accounting standards are unknown and are subject to confirmation by the relevant authorities. There can be no assurance that these changes will not have a significant impact on the presentation of Dasin Retail Trust’s financial statements or on Dasin Retail Trust’s financial statements, Dasin Retail Trust’s capital growth or Dasin Retail Trust’s business and financial condition and results of operations. Such changes may adversely affect the ability of Dasin Retail Trust to make distributions to Unitholders. There can be no assurance that any such changes in laws,
regulations and accounting standards will not have an adverse effect on the ability of the Manager to carry out Dasin Retail Trust's investment strategy or on the operations and financial condition of Dasin Retail Trust.

RISKS RELATING TO PRC

The Singapore Holding Companies may not be able to benefit from the reduced dividend withholding income tax ("WHT") rate provided under the tax treaty between PRC and Singapore.

Under the Agreement between the Government of Singapore and the Government of the People’s Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income ("Singapore-PRC DTA"), dividends paid by the relevant PRC Property Company or Rental Management Company to the respective Singapore Holding Company will be subject to a reduced WHT rate of 5.0% (the standard dividend WHT rate in PRC is 10.0%) provided the Singapore Holding Company is resident in Singapore and is the beneficial owner of the dividends. In this regard, pursuant to the guidance provided on “beneficial ownership” in Guoshuihan [2009] No. 601 ("Circular 601") issued by the SAT, the PRC tax authorities may view the Singapore Holding Companies as not having sufficient business substance to satisfy the “beneficial ownership” test.

The SAT grants certain exceptions for a listed company in “Announcement [2012] No. 30” ("Announcement 30"). Where the recipient of the dividend income is a foreign resident enterprise which is listed or is 100.0% directly or indirectly (excluding indirectly held by a resident company in a third party country or region besides PRC or the contracting country or region) held by a listed company and both the listed company and the foreign resident enterprise are resident in the same contracting country, the listed company or the foreign resident enterprise could be directly recognised as the beneficial owner of the dividend income. The Singapore Holding Companies, which are 100.0% indirectly held by Dasin Retail Trust, may therefore have the opportunity to qualify as the beneficial owner of the dividends from the PRC Property Companies and Rental Management Companies. However, access to reduced WHT rates under tax treaties is subject to the approval of the competent local tax authorities and the PRC tax authorities have the discretion not to allow the preferential WHT rate if they are of the view that the main purpose of an offshore arrangement is to obtain preferential tax treatment under the applicable tax treaty. It is also uncertain if the PRC tax authorities will extend the exception in Announcement 30 for a listed company to a listed business trust.

There can therefore be no assurance that the Singapore Holding Companies would be able to enjoy the reduced 5.0% WHT rate on dividends. If the WHT rate is 10.0%, the return to Unitholders will be reduced as a result of higher dividend WHT rate.

(See “Taxation – PRC Taxation” and “Appendix D – Independent Taxation Report” of this Prospectus for further details.)

The Singapore Holdco, Singapore Holding Companies and Dasin Retail Trust may be classified as a PRC tax resident enterprise (“TRE”) for the purposes of PRC CIT, which could result in unfavourable PRC tax consequences for Dasin Retail Trust and the Unitholders.

The PRC CIT Law and the Implementation Rules to the PRC CIT Law provide that non-resident enterprises whose “de facto management bodies” are located in PRC will be considered TREs and hence be subject to CIT, currently at a rate of 25.0% on their worldwide taxable income. Under the PRC CIT Law, a “de facto management body” of an enterprise is defined as a body that has substantive and overall management and control over the business operations, personnel, finance and assets of that enterprise.
The SAT has issued Guoshuihan [2009] No. 82 ("Circular 82") to provide guidance on whether an offshore enterprise with a PRC enterprise as its primary controlling shareholder ("PRC-controlled offshore enterprise") is a TRE. Circular 82 sets forth the following four conditions for determining if a PRC-controlled offshore enterprise has established effective management and control in PRC for TRE purposes:

1. whether the primary location of the day-to-day operational management of the offshore enterprise is in PRC;
2. whether decisions concerning the offshore enterprise's financial and human resource matters are made in PRC or are subject to approval by organisations or personnel in PRC;
3. whether the offshore enterprise's primary assets, accounting books and records, company seals, and board and shareholder meeting resolutions are located or maintained in PRC; and
4. whether 50.0% or more of the voting board members or senior executives of the offshore enterprise habitually reside in PRC.

If all of the above conditions are met, the PRC-controlled offshore enterprise will be deemed to be a TRE. The TRE status is recognised only when confirmation is obtained from the relevant PRC tax authorities or if this is deemed so by the tax authorities. Circular 82 is targeted at PRC-controlled offshore enterprises, i.e. offshore enterprises controlled by PRC enterprises. It is possible that the relevant PRC tax authorities may make reference to the conditions stated in Circular 82 when determining whether an offshore enterprise controlled by a non-PRC enterprise is a TRE. Dasin Retail Trust and its non-PRC subsidiaries have not been determined by the PRC tax authorities to be TREs. Given that Dasin Retail Trust is constituted and listed in Singapore, and is managed by the Trustee-Manager (incorporated in Singapore), except for the PRC subsidiaries, being the PRC Property Companies and Rental Management Companies, the affairs of Dasin Retail Trust as well as its Singapore subsidiaries, being the Singapore Holdco and Singapore Holding Companies, will be conducted by the Trustee-Manager from Singapore. As such, the effective management and control in relation to these non-PRC entities are not intended to be exercised in PRC. Nevertheless, should Dasin Retail Trust and/or any of its non-PRC subsidiaries be deemed to be or classified as TREs, they will be subject to CIT, currently at a rate of 25.0% on their worldwide taxable income. In addition, any distributions or dividends paid by them to their non-PRC non-individual Unitholders/shareholders and gains derived from the disposal of Units/shares by their non-PRC non-individual Unitholders/shareholders would be subject to PRC WHT at a rate of 10.0%, subject to applicable tax treaty relief.

Therefore, if Dasin Retail Trust, Singapore Holdco, or any of the Singapore Holding Companies is deemed to be a TRE, this will adversely affect the amount of distributions made by Dasin Retail Trust to Unitholders.

(See “Taxation – PRC Taxation” and “Appendix D – Independent Taxation Report” of this Prospectus for further details.)

The PRC Government has implemented property control measures in relation to the PRC property market.

Increasing speculation in the PRC property market may result in rapid increases in property prices. To discourage speculation in the PRC property market, the PRC Government has, among other things, implemented the control measures below.

On 7 January 2010, the State Council issued the Notice of the State Council Office Regarding the Promotion of Stable and Healthy Development of the Property Market (国务院办公厅关于促进房地产市场平稳健康发展的通知), which requires the local governments at all levels to strengthen the
real estate credit risk management, to rectify the property market, and to intensify its efforts to promote the healthy development of the property market through supporting reasonable housing consumption, curbing speculative investment and increasing effective supply.

On 17 April 2010, the State Council issued the Notice of the State Council Regarding Curtailing the Excessively Prompt Increase in Property Prices in Certain Cities (国务院关于坚决遏制部分城市房价过快上涨的通知), which increased the minimum down-payment ratio for second homes from 40.0% to 50.0%. The State Council also required mortgage banks to strictly adhere to the policy of charging mortgage rates for second homes at no less than 110.0% of the corresponding benchmark lending rate. The State Council required banks in cities with significant property price increases to stop lending to buyers of third properties. Banks can also suspend mortgage lending to non-local residents who cannot provide tax returns or proof of social security contributions for more than one year. The State Council also authorised local governments to restrict the number of properties an individual can buy.

In addition, there have also been recent actions taken by the People’s Bank of China (中国人民银行) (the “PBOC”) to lower lending interest rates and loosen facility policies. During the period from 22 November 2014 to 24 October 2015, the PBOC had lowered the benchmark interest rates by approximately six times, and interest rates are now at the current 4.35% for loans with terms of less than a year and 4.90% for loans with terms of above five years.

While the control measures highlighted above relate to residential properties, there is no assurance that the PRC Government will not extend such control measures to regulate retail properties. Although various control measures are intended to promote more balanced property developments in the long-term, these measures could adversely affect the development and sales of the Properties. In addition, there is no assurance that the PRC Government will not introduce additional measures from time to time to regulate the growth of the PRC property market. The continuation of the existing measures and the introduction of any new measures may materially and adversely affect Dasin Retail Trust’s business, financial condition and results of operations.

Dasin Retail Trust is subject to extensive PRC regulatory control on foreign investment in the real estate sector and will not be able to sell the Properties within the first five years from the date of obtaining the business licences of the PRC Property Companies.

Pursuant to the Circular on Strengthening Administration of Approval and Filing of Foreign Investment in Real Estate Industry (关于加强外商投资房地产业审批备案管理的通知) (Shang Ban Zi Han [2010] No. 1542) issued by the General Office of the MOFCOM and effective on 22 November 2010, real estate enterprises funded by foreign capital are not permitted to make profit by purchasing and reselling real properties in PRC that are either completed or under construction. There can be no assurance that the PRC Government will not deem any transaction of real properties or any transfer of equity in real estate companies as making profits through transaction of real estate. The regulation is believed to be aimed at controlling inflow of foreign capital by curtailing the practices of reselling properties for profits adopted by some foreign investors. As a simplification to the filing procedure, the MOFCOM and the SAFE jointly issued a Notice on Improving the Filing of Foreign Investment in Real Estate Industry (商务部、国家外汇管理局关于改进外商投资房地产备案工作的通知) (ShangZiHan [2014] 340) on 24 June 2014. According to this notice, the filing application should be submitted in digital data to the branch of the MOFCOM at the provincial level on and after 1 August 2014.

In addition, Shang Ban Zi Han [2010] No. 1542 also provides that among other things, a real estate enterprise established in PRC with overseas capital is prohibited from purchasing and/or selling real estate properties completed or under construction in PRC for arbitrage purposes. The rationale for such a restriction, which applies to all real estate enterprises established in PRC with overseas capital, is to curb speculative investment in the PRC property sector. According to JunZeJun Law Offices, the abovementioned restriction has applied to all real estate enterprises

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The regulations mentioned above are an indication that the PRC Government has been imposing stricter policies on foreign investment in the real estate industry. There is also no assurance that the PRC government will not implement additional restrictions on foreign investment in the real estate industry and purchases and sales of real estate properties by foreign investors. Such measures may adversely affect Dasin Retail Trust's ability to divest its non-performing assets and reinvest the sale proceeds towards better potential growth opportunities. For the avoidance of doubt, save for the above, there are no other regulatory restrictions on Dasin Retail Trust for the disposing of the Properties after the Listing Date.

In addition, in accordance with the laws and regulations of PRC, the PRC Property Companies are required to obtain and maintain various licences, permits, or satisfy filing requirements in order to commence and operate their business, including, without limitation, certificates of approval, business licences, property management qualification certificates (required only when the PRC Property Companies engage in property management business activities), and filing with the Bureau of Commerce of Zhongshan City as a foreign-invested real estate company. The PRC Property Companies are required to comply with applicable laws, regulations and standards and are subject to regular and random inspections for compliance by the relevant PRC authorities. Failure to pass these inspections, or the loss of or failure to obtain or renew any licences and permits could disrupt the operations and business of the PRC Property Companies, and the business, financial condition and results of operations of Dasin Retail Trust could be materially and adversely affected.

The PRC legal system is in the process of continuous development and has inherent uncertainties, including the interpretation of PRC laws and regulations, that could limit the legal protections available to Dasin Retail Trust in respect of its operations.

The taxation and real estate laws and in particular, the laws relevant to the rights of foreign investors and the entities through which they may invest are often unclear in the PRC. The PRC legal system is based on written statutes and prior court decisions can only be cited as reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law. However, as these laws and regulations are continually evolving in response to changing economic and other conditions, and because of the limited volume of published cases and their non-binding nature, any particular interpretation of PRC laws and regulations may not be definitive. PRC may not accord equivalent rights (or protection for such rights) to those rights investors might expect in countries with more sophisticated real estate laws and regulations.

Furthermore, PRC is geographically large and divided into various provinces and municipalities. Different laws, rules, regulations and policies may apply in different provinces, and each province may have different and varying applications and interpretations of such laws, rules, regulations and policies. Legislation or regulations, particularly for application at the province level, may be enacted without proper prior notice or announcement to the public. Accordingly, the general public may not be aware of the existence of new legislation or regulations. There is at present also no
integrated system in PRC from which information can be obtained in respect of legal actions, arbitrations or administrative actions. Even if an individual court-by-court search was performed, each court may refuse to make the documentation which it holds available for inspection. Accordingly, there is a risk that entities in PRC acquired by Dasin Retail Trust may be subject to proceedings which may not have been disclosed.

Agreements which are governed under PRC laws may also be more difficult to enforce by legal or arbitral proceedings in PRC than in countries with more mature legal systems. Even if such agreements generally provide for arbitral proceedings in respect of disputes to be conducted in another jurisdiction outside PRC, it may be difficult for Dasin Retail Trust to obtain effective enforcement in PRC of an arbitral award obtained in such jurisdiction.

The building standards applicable and materials employed in China may not be as stringent as those in other jurisdictions.

Each of the Properties and Shiqi Metro Mall has passed the examination process and has obtained real estate title certificates certifying that it can be handed over for occupation or use. There is no assurance that the respective PRC Property Companies can obtain such approval(s) in respect of the environment protection or fire control. If the relevant government authority is of the opinion that such PRC Property Companies are not in compliance with the relevant regulations, it may require rectification, suspend normal business operation, impose penalties or (in the case of non-compliance with the regulations), enforce against them. Any such action by government authorities would have a material adverse effect on the business, financial condition and results of operations of Dasin Retail Trust.

In addition, the building standards applicable in China when each of the Properties and Shiqi Metro Mall was built may not be as stringent as those in other jurisdictions. For example, the applicable PRC seismic load design requirements may be less than those required by other international standards. Where a developed property asset is acquired which was constructed prior to the entry into force of the latest PRC building standards, the risk that the building is not in conformity with international standards is increased. Compliance with amended building codes may be required retrospectively, which could entail significant costs for Dasin Retail Trust. Furthermore, construction materials employed may not comply with international standards.

If any of the Properties or Shiqi Metro Mall do not meet the most recent requirements for building standards and materials, it may be less desirable than developments which have been built in accordance with the latest standards, which may affect the ability to sell or let it and consequently the business, financial condition and results of operations of Dasin Retail Trust.

Delay by the PRC tax authorities in assessing taxes could affect the amount of distributions.

The conversion of RMB proceeds (for amounts greater than US$50,000) into foreign currency and the remittance of such foreign currency out of PRC can be effected only after a registration form for cross-border payment has been obtained from the tax bureau and this in practice also requires the settlement of all relevant taxes. Such registration form has to be obtained each time prior to the repatriation of dividend payments by the PRC Property Companies or Rental Management Companies. For the avoidance of doubt, other than the registration form for cross-border payment that has to be obtained after the relevant taxes are duly settled, there are no other registration processes required for the conversion of RMB proceeds (for amounts greater than US$50,000) into foreign currency. Although Ernst & Young Solutions LLP, the Independent Tax Adviser, has advised that the process for obtaining such registration form is procedural, in the event the PRC Property Companies or Rental Management Companies are unable to obtain the registration form for cross-border payment from the PRC tax authorities in a timely manner, Dasin Retail Trust’s ability to make distributions to Unitholders will be adversely affected and Dasin Retail Trust may
be required to take loan facilities to satisfy the payment of the distributions to Unitholders. If Dasin Retail Trust is unable to obtain financing on terms that are acceptable or Dasin Retail Trust has reached its aggregate leverage limit under its Trust Deed, the amount of distributions could be adversely affected.

**Dasin Retail Trust may be exposed to risks associated with exchange rate fluctuations and changes in foreign exchange regulations.**

The PRC Property Companies and Rental Management Companies receive all their revenue in RMB, which may have to be converted into Singapore dollars for the distribution payments at Dasin Retail Trust’s level. In addition, as Dasin Retail Trust’s finance costs are mainly denominated in US$ and $S$, the Trustee-Manager may have to convert RMB into US$ or S$ for the purpose of making interest or principal payments on the debt of Dasin Retail Trust. Accordingly, Dasin Retail Trust is exposed to risks associated with exchange rate fluctuations which may adversely affect Dasin Retail Trust’s results of operations.

Conversion of RMB is subject to strict government regulation in PRC. Current foreign exchange regulations have already significantly reduced the PRC government’s foreign exchange control on routine transactions, including trade-and service-related foreign exchange transactions and payment of dividends. Under the existing foreign exchange regulations in PRC, the PRC Property Companies and Rental Management Companies will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that the said policies regarding payment of dividends in foreign currencies will continue in the future. If approvals are required in the future, delays in or a refusal to grant any such approval, a revocation or variation of consents granted prior to the investments being made, or the imposition of new restrictions may adversely affect Dasin Retail Trust's investments.

The value of the distributions received by a Unitholder may be adversely affected by fluctuations in the exchange rates between RMB, the Singapore dollar and any other currencies which may be adopted from time to time. Significant fluctuations in the exchange rates between such currencies will also, among others, affect the NAV of the Units and the foreign currency value of the proceeds which a Unitholder would receive upon sale of the Units in Singapore.

(See “Distributions” and “Exchange Rate Information” of this Prospectus for further details.)

**The properties owned by Dasin Retail Trust or a part of them may be acquired compulsorily by the PRC government.**

Under the laws and regulations of PRC, there are various circumstances under which the PRC government is empowered to acquire some of the Properties, such as where the property is necessary for national defence and foreign affairs or where the property is necessary for the provision of affordable housing.

In the event of any compulsory acquisition of property in PRC, and the compensation paid for the acquisition is less than the market value of the Property, such compulsory acquisitions by the PRC government would have an adverse effect on Dasin Retail Trust and the value of its asset portfolio. In addition, even if the amount of compensation to be awarded is based on the open market value, the amount of compensation paid to Dasin Retail Trust may be less than the price which Dasin Retail Trust paid for such assets.
The PRC’s political policies and foreign relations could affect the Properties.

The Initial Portfolio and Shiqi Metro Mall are situated in Zhongshan City in PRC. Investment in a selection of PRC properties entails risks of a nature and degree not typically encountered in property investments in developed markets. In PRC, there is a high risk of nationalisation, expropriation, confiscation, punitive taxation, currency restriction, political changes, government regulation, political, economic or social instability or diplomatic developments which could adversely affect the value of investments made in China, and for which Dasin Retail Trust may not be fairly compensated. Certain national policies may restrict foreigners investing in industries deemed sensitive to the national interest such as mining of certain kinds of minerals, construction and operation of theatres and large theme parks.

The PRC’s economic reforms could affect Dasin Retail Trust’s business.

The PRC economy differs from the economies of most developed countries in many respects, including its structure, its level of development, its growth rate, its control of foreign exchange and its allocation of resources. The PRC economy is still in the process of being transformed from a planned economy to a more market-oriented economy. For the past two decades, the PRC government has implemented economic reform measures emphasising utilisation of market forces in the development of the PRC economy. Although the Trustee-Manager believes that these reforms will have a positive effect on its overall and long-term development, it cannot predict whether changes in China’s economic and other policies will or will not have any adverse effect on Dasin Retail Trust’s current or future business, financial condition and results of operations.

RISKS RELATING TO INVESTING IN REAL ESTATE

There are general risks attached to investments in real estate.

Investments in real estate and therefore the income generated from the Properties and Shiqi Metro Mall are subject to various risks, including, but not limited to:

- adverse changes in political or economic conditions;
- adverse local market conditions (such as over-supply of retail malls or reduction in demand for the retail malls in which Dasin Retail Trust operates);
- the financial condition of tenants;
- the availability of financing such as changes in availability of debt or equity financing, which may result in an inability by Dasin Retail Trust to finance future acquisitions on favourable terms or at all;
- changes in interest rates and other operating expenses;
- changes in exchange rates;
- changes in environmental laws and regulations, zoning laws and other governmental laws, regulations and rules and fiscal policies (including tax laws and regulations);
- environmental claims in respect of real estate;
- changes in market rents;
- changes in energy prices;
• changes in business, commercial and leisure travel and tourism patterns, which may fluctuate and tend to be seasonal;

• changes in the relative popularity of property types and locations leading to an oversupply of space or a reduction in tenant demand for a particular type of property in a given market;

• competition among property owners for tenants which may lead to vacancies or an inability to rent space on favourable terms;

• inability to renew leases or re-let space as existing leases expire;

• inability to collect rents from tenants on a timely basis or at all due to bankruptcy or insolvency of the tenants or otherwise;

• insufficiency of insurance coverage or increases in insurance premiums;

• increases in the rate of inflation;

• inability of the Property Manager to provide or procure the provision of adequate maintenance and other services;

• defects affecting the Properties or Shiqi Metro Mall which need to be rectified, or other required repair and maintenance of the Properties or Shiqi Metro Mall, leading to unforeseen capital expenditure;

• the relative illiquidity of real estate investments;

• considerable dependence on cash flow for the maintenance of, and improvements to, the Properties or Shiqi Metro Mall;

• increased operating costs, including real estate taxes;

• any defects or illegal structures that were not uncovered by physical inspection or due diligence review;

• the management style and strategy of the Trustee-Manager;

• the attractiveness of Dasin Retail Trust’s properties to tenants;

• the cost of regulatory compliance;

• ability to rent out properties on favourable terms; and

• power supply failure, acts of God, wars, terrorist attacks, uninsurable losses and other factors.

Any or all of these factors may cause fluctuations in occupancy rates, rental rates or operating expenses, causing a negative effect on the value of real estate and income derived from real estate. The annual valuation of the Properties and Shiqi Metro Mall will reflect such factors and as a result may fluctuate upwards or downwards. The capital value of Dasin Retail Trust’s real estate assets may be significantly diminished in the event of a sudden downturn in real estate market prices or the economy in PRC, which may adversely affect the financial condition of Dasin Retail Trust.
Dasin Retail Trust may be adversely affected by the illiquidity of real estate investments.

Dasin Retail Trust is established with the principal investment objective of investing in, owning or developing 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. This involves a higher level of risk as compared to a portfolio which has a diverse range of investments. Real estate investments are relatively illiquid and such illiquidity may affect Dasin Retail Trust’s ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions. For instance, Dasin Retail Trust may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. Moreover, Dasin Retail Trust may face difficulties in securing timely and commercially favourable financing due to the illiquid nature of real estate assets. These factors may adversely affect Dasin Retail Trust’s financial condition and results of operations.

RISKS RELATING TO AN INVESTMENT IN THE UNITS

RMB is not freely convertible and there are significant restrictions on the remittance of RMB into and out of PRC, and the ability of the PRC Property Companies and Rental Management Companies to make distributions to the Singapore Holding Companies may be subject to future limitations imposed by the PRC Government.

The PRC Property Companies and Rental Management Companies receive almost all of their revenue in RMB. Relying on the receipt of dividends or payments from the PRC Property Companies and Rental Management Companies indirectly, Dasin Retail Trust intends to make distributions to Unitholders in Singapore dollars. RMB is not freely convertible at present. The PRC Government continues to regulate conversion between RMB and foreign currencies, including the Singapore dollar, despite the significant reduction over the years by the PRC Government in control over routine foreign exchange transactions on the current account. Participating banks in Hong Kong have been permitted to engage in the settlement of RMB trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in June 2010 to cover more than 20 provinces and cities in PRC and to make RMB trade and other current account item settlement available in all countries worldwide. For a foreign-invested company (such as the PRC Property Companies and Rental Management Companies), its dividends and other distributions/payments (whether in a foreign currency or in RMB) representing the profit entitlement of its foreign investor can be legally remitted out of PRC to its foreign investor without the need to obtain the prior approval or authorisation of the relevant foreign exchange bureau. The remittance of dividends and other distributions/payments representing the profit entitlement of Dasin Retail Trust in RMB by the PRC Property Companies and Rental Management Companies out of PRC to Dasin Retail Trust could be processed through commercial banks which provide such remittance services, without the need of obtaining any pre-approval or authorisation on the part of the PRC Property Companies and Rental Management Companies from the relevant foreign exchange bureau regarding the remittance of such dividends offshore.

There is no assurance that the PRC Government will continue to gradually liberalise the level of control over cross-border RMB remittances in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting the remittance of RMB into or out of PRC. If the PRC Property Companies and Rental Management Companies are not able to repatriate funds out of PRC in RMB, Dasin Retail Trust will need to source for financing offshore to pay distributions to Unitholders, and there is no assurance that it will be able to source such financing on satisfactory terms, if at all, or that it will be able to make distributions to Unitholders in Singapore dollars.
The payment of the Management Fee will have an impact on the DPU.

The amount of distribution available to Unitholders is affected by the payment of the Management Fee, which will be in the form of Units. With more Units being issued, the distribution will have to be distributed to a larger number of Units.

(See “Profit Forecast and Profit Projection – Sensitivity Analysis” of this Prospectus for further details.)

Market and economic conditions may affect the market price and demand for the Units.

Movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price of, and demand for, the Units. In particular, an increase in market interest rates may have an adverse impact on the market price of the Units if the annual yield on the price paid for the Units gives investors a lower return compared to other investments.

Sale or possible sale of a substantial number of Units by Aqua Wealth or Bounty Way (following the lapse of any applicable lock-up arrangements), or the Cornerstone Investors in the public market could adversely affect the price of the Units.

Following the Offering, Dasin Retail Trust will have issued 549,606,331 Units, of which 337,642,752 Units will be held by Aqua Wealth, 28,944,679 Units will be held by Bounty Way and 31,250,000 Units will be held by the Cornerstone Investors. If Aqua Wealth, Bounty Way and/or any of their transferees of the Units (following the lapse of any applicable lock-up arrangements) or the Cornerstone Investors sells or is perceived as intending to sell a substantial amount of its Units, or if a secondary offering of the Units is undertaken in connection with an additional listing on another securities exchange, the market price for the Units could be adversely affected.

(See “Plan of Distribution – Lock-up Arrangements” of this Prospectus for further details).

The NAV per Unit may be diluted if further issues are priced below the current NAV per Unit.

The Trust Deed contemplates that new issues of Units may occur, and the issue price for which may be above, at or below the then current NAV per Unit. Where new Units, including Units which may be issued to the Trustee-Manager in payment of the Trustee-Manager’s management fees, are issued at less than the NAV per Unit, the NAV of each existing Unit may be diluted.

Dasin Retail Trust may suffer higher taxes if it or any of its subsidiaries are treated as having a taxable presence or permanent establishment outside their place of incorporation and tax residency.

Currently, Dasin Retail Trust and its subsidiaries are not regarded as having any taxable presence or permanent establishment outside their place of constitution or incorporation and place of tax residency. If Dasin Retail Trust or any of its subsidiaries is considered as having a taxable presence or permanent establishment outside its place of constitution or incorporation and place of tax residency, its income or gains may be subject to additional taxes which may have an adverse impact on Dasin Retail Trust’s financial condition, cash flows and results of operations and consequentially may have a material adverse impact on distributions to be made by Dasin Retail Trust.
Foreign Unitholders may not be permitted to participate in future rights issues by Dasin Retail Trust.

The Trust Deed provides that in relation to any rights issue, the Trustee-Manager may, in its absolute discretion, elect not to extend an offer of Units under a rights issue to those Unitholders whose addresses, as registered with CDP, are outside Singapore. Foreign Unitholders may be prejudiced should the Trustee-Manager elect not to do so, and their holdings in Dasin Retail Trust may face dilutive effects from such a rights issue.

The actual performance of Dasin Retail Trust and the Properties and Shiqi Metro Mall could differ materially from the forward looking statements in this Prospectus.

This Prospectus contains forward-looking statements regarding, among other things, projected distribution levels. These forward-looking statements are based on a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside of the Trustee-Manager's control (see “Profit Forecast and Profit Projection – Assumptions” of this Prospectus for further details). In addition, Dasin Retail Trust's revenue is dependent on a number of factors, including the rent from the Properties and Shiqi Metro Mall, which may decrease for a number of reasons, including the lowering of rental rates, insolvency or delay in rent payment by the lessees. This may adversely affect Dasin Retail Trust's ability to achieve the projected distributions as some or all events and circumstances assumed may not occur as expected, or events and circumstances may arise which are not currently anticipated. Actual results may be materially different from the projections. No assurance can be given that the assumptions will be realised and that actual distributions will be as projected.

Property yield on real estate to be held by Dasin Retail Trust is not equivalent to distribution yield on the Units.

Generally, property yield depends on Net Property Income and is calculated as the amount of revenue generated by the properties, less the expenses incurred in maintaining, operating, managing and leasing the properties compared against the current value of the properties.

Distribution yield on the Units, however, depends on the distributions payable on the Units as compared with the purchase price of the Units. While there may be some correlation between these two yields, they are not the same and will vary accordingly for investors who purchase Units at a market price that differs from the price of the Units at the Offering.

The Trustee-Manager is not obliged to redeem Units.

Unitholders have no right to request that the Trustee-Manager redeem their Units while the Units are listed on the SGX-ST. Unitholders may only deal in their listed Units through trading on the SGX-ST. Accordingly, apart from selling their Units through trading on the SGX-ST, Unitholders may not be able to realise their investments in the Units.

The Units have never been publicly traded and the Offering may not result in an active or liquid market for the Units.

Prior to the Offering, there has been no public market for the Units and an active public market for the Units may not develop or be sustained after the Offering. The Trustee-Manager has received in-principle approval from the SGX-ST to have the Units listed and quoted on the SGX-ST. Listing and quotation does not, however, guarantee that a trading market for the Units will develop or, if a market does develop, the liquidity of that market for the Units. Prospective Unitholders should view the Units as illiquid and must be prepared to hold their Units for an indefinite length of time. Further, it may be difficult to assess Dasin Retail Trust's performance against either Singapore or international benchmarks.
There is no assurance that the Units will remain listed on the SGX-ST.

Although it is currently intended that the Units will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Units. Among other factors, Dasin Retail Trust may not continue to satisfy any future listing requirements of the SGX-ST. Accordingly, Unitholders will not be able to sell their Units through trading on the SGX-ST if the Units are no longer listed on the SGX-ST.

Certain provisions of the Singapore Code on Take-overs and Mergers could have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of the Units.

Under the Singapore Code on Take-overs and Mergers, an entity is required to make a mandatory offer for all the Units not already held by it and/or parties acting in concert with it (as defined by the Singapore Code on Take-overs and Mergers) in the event that an increase in the aggregate unitholdings of it and/or parties acting in concert with it results in the aggregate unitholdings crossing certain specified thresholds.

While the Singapore Code on Take-overs and Mergers seeks to ensure an equality of treatment among Unitholders, its provisions could substantially impede the ability of Unitholders to benefit from a change in control and, as a result, may adversely affect the market price of the Units and the ability to realise any potential change of control premium.

The Units of dissenting minority Unitholders may be compulsorily acquired by an offeror making a general offer for Units.

Pursuant to Section 40A of the Business Trusts Act, if an offeror who is making a general offer for Units has obtained acceptances in respect of 90.0% or more of the Units offered, such offeror will be able to compulsorily acquire the Units of the dissenting minority. The dissenting minority Unitholders can also require the offeror to acquire their Units under similar circumstances.

The price of the Units may decline after the Offering.

The Offering Price of the Units is determined by agreement between the Trustee-Manager and the Joint Bookrunners and Underwriters and may not be indicative of the market price for the Units after the completion of the Offering. The Units may trade at prices significantly below the Offering Price after the Offering. The trading price of the Units will depend on many factors, including, but not limited to:

- the perceived prospects of Dasin Retail Trust's business and investments and the retail real estate market;
- differences between Dasin Retail Trust's actual financial and operating results and those expected by investors and analysts;
- changes in analysts' recommendations or projections;
- changes in general economic or market conditions;
- the market value of Dasin Retail Trust's assets;
- the perceived attractiveness of the Units against those of other equity or debt securities, including those not in the real estate sector;
- the balance of buyers and sellers of the Units;
• the future size and liquidity of the Singapore real estate investment trusts and business trusts market;

• any future changes to the regulatory system, including the tax system, both generally and specifically in relation to Singapore business trusts;

• the ability of the Trustee-Manager to successfully implement its investment and growth strategies;

• foreign exchange rates; and

• broad market fluctuations, including weakness of the equity market and increases in interest rates.

The issuance of Units under the Offering will be at a discount to Dasin Retail Trust's NAV. On the Listing Date, there will be a discount of approximately 21.4% to the NAV per Unit(1) based on the Offering Price.

Units may trade at prices that are higher or lower than the NAV per Unit. To the extent that Dasin Retail Trust retains operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of Dasin Retail Trust's underlying assets, may not correspondingly increase the market price of the Units. Any failure to meet market expectations with regards to future earnings and cash distributions may adversely affect the market price for the Units.

Where new Units are issued at less than the market price of Units, the value of an investment in Units may be affected. In addition, Unitholders who do not, or are not able to, participate in the new issuance of Units may experience a dilution of their interest in Dasin Retail Trust.

The Units are not capital-safe products. There is no guarantee that Unitholders can regain the amount invested. If Dasin Retail Trust is terminated or liquidated, investors may lose a part or all of their investment in the Units.

Note:

(1) Based on the pro forma total equity as at 30 June 2016 and as at the Latest Practicable Date.
USE OF PROCEEDS

Issue Proceeds

The Trustee-Manager expects the gross proceeds from the Offering and the issuance of the Aqua Wealth Units, Sino-Ocean Units and the Cornerstone Units to be approximately S$160.1 million (equivalent to approximately RMB 773.3 million) and that the net proceeds from the Offering and the issuance of the Aqua Wealth Units, Sino-Ocean Units and the Cornerstone Units (after deducting the Underwriting, Selling and Management Commission and estimated offering expenses) will be approximately S$117.7 million (equivalent to approximately RMB 568.5 million).

The Trustee-Manager also intends to draw down from the Facilities an amount equivalent to approximately S$258.3 million (also equivalent to approximately RMB 1,247.3 million) on the Listing Date.

<table>
<thead>
<tr>
<th>Sources</th>
<th>Amount (RMB million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offering</td>
<td>586.4</td>
</tr>
<tr>
<td>Cornerstone Units</td>
<td>120.8</td>
</tr>
<tr>
<td>Aqua Wealth Units and Sino-Ocean Units</td>
<td>66.1</td>
</tr>
<tr>
<td>Facilities</td>
<td>1,247.3</td>
</tr>
<tr>
<td>Security deposits</td>
<td>24.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,044.9</strong></td>
</tr>
</tbody>
</table>

The proceeds from the Offering, the issuance of the Aqua Wealth Units, Sino-Ocean Units and the Cornerstone Units, the amount drawn down from the Facilities as well as the aggregate security deposits received under the Master Lease Agreements (the “Total Proceeds”) will be used towards the following:

<table>
<thead>
<tr>
<th>Applications</th>
<th>Amount (RMB million)</th>
<th>As a RMB amount for each RMB of the Total Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment for the acquisition of the PRC Property Companies and Rental Management Companies</td>
<td>1,343.7</td>
<td>0.66</td>
</tr>
<tr>
<td>Repayment of existing loans and liabilities(1)</td>
<td>385.9</td>
<td>0.19</td>
</tr>
<tr>
<td>Issue expenses and other transaction costs</td>
<td>204.8</td>
<td>0.10</td>
</tr>
<tr>
<td>Working capital</td>
<td>110.5</td>
<td>0.05</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,044.9</strong></td>
<td><strong>1.00</strong></td>
</tr>
</tbody>
</table>

**Note:**
(1) It is envisaged that the existing liabilities of Zhongshan Yuanxin will be repaid using the loan proceeds from the Onshore Facility (as defined herein).

Pending the deployment of the net proceeds of the Offering and the issuance of the Aqua Wealth Units, Sino-Ocean Units and the Cornerstone Units, the funds will be placed in deposits with banks and institutions, or used for investment in short-term money market instruments or debt instruments, as the Trustee-Manager may deem fit.
Liquidity

Taking into account the expected cash to be generated from the operations of Dasin Retail Trust, together with the cash and cash equivalents of Dasin Retail Trust, and the Facilities available to Dasin Retail Trust, the Directors are of the opinion that the working capital available to Dasin Retail Trust as at the Listing Date is sufficient for Dasin Retail Trust’s present requirements and anticipated requirements for capital expenditures and other cash requirements for 12 months following the date of this Prospectus.

Issue Expenses and Other Transaction Costs

The estimated amount of the expenses and transaction costs in relation to the Offering and the issuance of the Aqua Wealth Units, Sino-Ocean Units and the Cornerstone Units includes the Underwriting, Selling and Management Commission, professional and other fees and all other incidental expenses in relation to the Offering and the issuance of the Aqua Wealth Units, Sino-Ocean Units and the Cornerstone Units, which will be borne by Dasin Retail Trust. A breakdown of these estimated expenses is as follows\(^{(1)}\):

<table>
<thead>
<tr>
<th></th>
<th>Amount (RMB million)</th>
<th>As a percentage of the proceeds from the Offering and the issuance of the Aqua Wealth Units, Sino-Ocean Units and the Cornerstone Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underwriting, Selling and Management Commission(^{(2)})</td>
<td>24.6</td>
<td>3.2%</td>
</tr>
<tr>
<td>Professional and other fees(^{(3)})</td>
<td>165.8</td>
<td>21.4%</td>
</tr>
<tr>
<td>Miscellaneous offering expenses(^{(4)})</td>
<td>14.4</td>
<td>1.9%</td>
</tr>
<tr>
<td><strong>Total estimated expenses of the Offering(^{(5)})</strong></td>
<td><strong>204.8</strong></td>
<td><strong>26.5%</strong></td>
</tr>
</tbody>
</table>

Notes:

(1) Amounts include GST, where applicable.

(2) Such commission (including the incentive fee) payable to the Joint Bookrunners and Underwriters amounts to a maximum of 3.25% of the total gross proceeds raised from the Offering (based on the Offering Price) and the issuance of the Cornerstone Units and assuming the Over-Allotment Option is not exercised.

(3) Includes debt upfront fees, financial advisory fees, solicitors’ fees and fees for the Reporting Accountant, Ernst & Young Solutions LLP as the independent tax adviser, the Independent Valuers, the Independent Market Research Consultant and other professionals’ fees.

(4) Includes cost of prospectus production, road show expenses and certain other expenses incurred or to be incurred in connection with the Offering and the issuance of the Aqua Wealth Units, Sino-Ocean Units and the Cornerstone Units.

(5) The total expenses in relation to the Offering and the issuance of the Aqua Wealth Units, Sino-Ocean Units and the Cornerstone Units will be ultimately borne by Aqua Wealth, Bounty Way, the Cornerstone Investors and all the Unitholders subscribing for the Aqua Wealth Units, Sino-Ocean Units, the Cornerstone Units and the Units pursuant to the Offering respectively.

The Trustee-Manager will make periodic announcements on the utilisation of the net proceeds from the Offering via the SGX-ST as and when such funds are materially utilised, and will provide the status on the actual use of the net proceeds in the annual reports of Dasin Retail Trust.
OWNERSHIP OF THE UNITS

On 15 January 2016, upon the constitution of Dasin Retail Trust as a private trust, 82 Units were issued to Aqua Wealth and 18 Units were issued to Bounty Way at the issue price of S$1.00 per Unit.

On 31 May 2016, 83 Units were issued to Aqua Wealth at the issue price of S$1.00 per Unit. All the then issued and paid-up Units, comprising 183 Units, were then sub-divided into 239,110,662 Units, following which 2,484,500 Units were issued to Aqua Wealth at an aggregate issue price of S$2,484,500.

On 27 December 2016, 119,566,671 Units were issued to Aqua Wealth and 5,425,598 Units were issued to Bounty Way at an aggregate issue price of S$11,231,078.

As a result of the foregoing, Aqua Wealth and Bounty Way hold a total of 366,587,431 Units immediately prior to the date of this Prospectus.

Each of Aqua Wealth and Bounty Way has not been granted any special rights under the Trust Deed that are distinct from the rights enjoyed by any other Unitholder under the Trust Deed.
### Principal Unitholders of Dasin Retail Trust and their Unitholdings

The following table sets out the principal Unitholders of Dasin Retail Trust and their unitholdings immediately upon completion of the Offering:

<table>
<thead>
<tr>
<th>Units in issue immediately before the issuance of the Offering Units</th>
<th>Units in issue after the Offering (assuming that the Over-Allotment Option is not exercised)</th>
<th>Units in issue after the Offering (assuming that the Over-Allotment Option is exercised in full)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
<td>Deemed</td>
</tr>
<tr>
<td>Aqua Wealth(^{(1)})</td>
<td>337,643</td>
<td>92.1</td>
</tr>
<tr>
<td>Bounty Way(^{(2)})</td>
<td>28,944</td>
<td>7.9</td>
</tr>
<tr>
<td>Cornerstone Investors</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Public and institutional investors</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>366,587</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

**Notes:**

1. DBS Trustee Limited (the "Family Trustee") holds the entire share capital of Aqua Wealth as the trustee of a family trust, of which Mr. Zhang Zhencheng is the settlor and Zhang Chon Meng, son of Mr. Zhang Zhencheng, is the sole beneficiary (the "Zhang Family Trust"). The power to make investment decisions on behalf of the Zhang Family Trust is conferred solely on an investment committee, of which Mr. Zhang Zhencheng is the sole member.

2. Bounty Way is an indirect wholly-owned subsidiary of Sino-Ocean Group Holding Limited (formerly known as "Sino-Ocean Land Holdings Limited"), a company listed on the Stock Exchange of Hong Kong. As at the Latest Practicable Date, China Life Insurance Company Limited holds 30.0% of the issued share capital of Sino-Ocean Group Holding Limited (formerly known as "Sino-Ocean Land Holdings Limited") and Anbang Insurance Group Co., Ltd. holds 30.0% of the issued share capital of Sino-Ocean Group Holding Limited (formerly known as "Sino-Ocean Land Holdings Limited").
Directors and Chief Executive Officer of the Trustee-Manager and their Unitholdings

The following table sets out each Director and the chief executive officer of the Trustee-Manager and their unitholdings immediately upon completion of the Offering:

<table>
<thead>
<tr>
<th>Directors and the Chief Executive Officer of the Trustee-Manager</th>
<th>Units in issue immediately before the issuance of the Offering Units</th>
<th>Units in issue after the Offering (assuming that the Over-Allotment Option is not exercised)</th>
<th>Units in issue after the Offering (assuming that the Over-Allotment Option is exercised in full)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
<td>Deemed</td>
<td>Direct</td>
</tr>
<tr>
<td></td>
<td>('000)</td>
<td>(%)</td>
<td>('000)</td>
</tr>
<tr>
<td>Mr. Zhang Zhencheng</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr. Zhang Zhongming</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Dr. Cao Yong</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr. Sun Shu</td>
<td>–</td>
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<td>–</td>
</tr>
<tr>
<td>Mr. Tan Huay Lim</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr. Yang Bin</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>
Subscription by the Cornerstone Investors

Concurrently with, but separate from the Offering, each of the Cornerstone Investors has entered into Cornerstone Subscription Agreements with the Trustee-Manager to subscribe for an aggregate of 31,250,000 Cornerstone Units at the Offering Price, conditional upon, among other things, the Underwriting Agreement having been entered into, and not having been terminated pursuant to its terms on or prior to the Settlement Date.

The Cornerstone Investors are China Orient Asset Management (International) Holding Limited and Haitong International Investment Fund SPC, acting on behalf and for the account of Haitong International Investment Fund SPC – Fund I SP.

Information on the Cornerstone Investors

**China Orient Asset Management (International) Holding Limited (“COAMI”)**

COAMI is a company incorporated in Hong Kong with limited liability and is principally engaged in investment management. COAMI is a subsidiary of China Orient Asset Management Co., Ltd (“COAMC”). COAMC is one of the state-owned asset management companies in the PRC. COAMI is the primary overseas platform of COAMC. As an asset management company, COAMI’s main investment strategies involve investing in non-performing assets, equities, fixed income and properties.

**Haitong International Investment Fund SPC, acting on behalf and for the account of Haitong International Investment Fund SPC – Fund I SP (“Haitong Investor”)**

Haitong International Investment Fund SPC is an open-ended exempted segregated portfolio company incorporated with limited liability under the laws of the Cayman Islands under registration number 305945 with its registered office at PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

Subscription by the Directors

The Directors may subscribe for Units under the Public Offer and/or the Placement Tranche and in such cases, the Trustee-Manager will make announcements via SGXNET as soon as practicable. Save for the Trustee-Manager’s internal policy which prohibits the Directors from dealing in the Units at certain times, there is no restriction on the Directors disposing of or transferring all or any part of their unitholdings. (See “The Trustee-Manager” and “Corporate Governance” of this Prospectus for further details).

Subscription for more than 5.0% of the Units

To the Trustee-Manager’s knowledge, as at the Latest Practicable Date, save for China Orient Asset Management (International) Holding Limited and Haitong Investor, no person intends to subscribe for more than 5.0% of the Units in the Offering. If any person were to make an application for Units amounting to more than 5.0% of the Units in the Offering and were subsequently allotted or allocated such number of Units, the Trustee-Manager will make the necessary announcements at an appropriate time. In respect of the subscription for Cornerstone Units by the Cornerstone Investors, please refer to the table under “Ownership of the Units – Principal Unitholders of Dasin Retail Trust and their Unitholdings” of this Prospectus for further details on the Cornerstone Investors and their Unitholdings immediately upon completion of the Offering. The final allocation of Units will be in accordance with the unitholding spread and distribution guidelines as set out in Rule 210 of the Listing Manual.
Options on Units

No option to subscribe for Units has been granted to any of the Directors or to the chief executive officer of the Trustee-Manager.

Moratorium

Each of Zhang Zhencheng (as the guardian of Zhang Chon Meng, the sole beneficiary of the Zhang Family Trust), Aqua Wealth, the Family Trustee and the Trustee-Manager has agreed to certain lock-up arrangements. (See “Plan of Distribution – Lock-up Arrangements” of this Prospectus for further details.)
DISTRIBUTIONS

The distribution of Dasin Retail Trust is substantially based on the cash flow generated from the underlying operations undertaken by the PRC Property Companies and the Rental Management Companies, being the letting of completed properties and the provision of property-related services. The cash flow will be received by Dasin Retail Trust (to the extent possible) in the form of dividend income from Singapore Holdco.

The dividend income from Singapore Holdco will, in turn, be paid out of dividend income received or receivable from the Singapore Holding Companies which will be paid out of dividend income received from the PRC Property Companies and/or the Rental Management Companies.

For these purposes, the "Distributable Income" for a distribution period is the amount calculated by the Trustee-Manager (based on the audited financial statements of Dasin Retail Trust for that distribution period) as representing the consolidated audited net profit after tax of Dasin Retail Trust and its SPVs for the distribution period, as adjusted to eliminate the effects of Adjustments (as defined below). After eliminating the effects of these Adjustments, the Distributable Income may be different from the net profit recorded for that distribution period.

"Adjustments" means adjustments as deemed appropriate by the Trustee-Manager which are charged or credited to the consolidated statement of total return of Dasin Retail Trust for the relevant financial year or the relevant distribution period (as the case may be), including:

(i) adding back portion of the Trustee-Manager’s management fees in units;

(ii) adding back amortisation of capitalised transaction costs and depreciation of property, plant and equipment;

(iii) deducting any amortisation or repayment of loan (as deemed appropriate by the Trustee-Manager);

(iv) adding realised gains on the disposal of properties and disposal/settlement of financial instruments (as deemed appropriate by the Trustee-Manager);

(v) deducting unrealised income and adding back unrealised losses (including unrealised exchange differences and fair value adjustments relating to financial instruments and investment properties);

(vi) deducting accounting gains from adjustments including leasing commission, security deposits, free rent and incentive rent, and leasehold improvements;

(vii) adding back prepaid property tax (as deemed appropriate by the Trustee-Manager);

(viii) adding back any non-recurring expenses and deducting any non-recurring income (as deemed appropriate by the Trustee-Manager);

(ix) adding back deferred tax expense or deducting deferred tax credit;

(x) deducting general reserves required to be set aside under PRC law;

(xi) deducting deposits into, or adding back withdrawals from, interest reserve accounts (as deemed appropriate by the Trustee-Manager); and/or

(xii) other non-cash gains and losses (as deemed appropriate by the Trustee-Manager).
The Trustee-Manager also has the discretion to distribute any additional amounts (including capital). In determining whether to distribute additional amounts (including capital), the Trustee-Manager will consider a range of factors, including, but not limited to, Dasin Retail Trust’s funding requirements, its financial position, its growth strategy, compliance with relevant laws, regulations and covenants, other capital management considerations, the overall suitability of distributions and prevailing industry practice.

Dasin Retail Trust has not made any distributions since its constitution.

**DISTRIBUTION POLICY**

Dasin Retail Trust has adopted the following policy in respect of distributions to be made to Unitholders out of Distributable Income:

(i) in respect of Forecast Year 2017 and Projection Year 2018, the Trustee-Manager shall make distributions of 100.0% of the Distributable Income to Unitholders; and

(ii) in respect of FY2019 and onwards, the Trustee-Manager shall make distributions of at least 90.0% of the Distributable Income to Unitholders.

Where there is any deviation from the abovementioned distribution policy, the Trustee-Manager will provide the relevant disclosures in (1) Dasin Retail Trust’s annual report; (2) the announcement of Dasin Retail Trust’s annual results; and/or (3) the announcement of Dasin Retail Trust’s distributions declared for the period.

As at the Listing Date, the Trustee-Manager seeks to distribute 100.0% of the Distributable Income in order to provide investors with a reasonable distribution return. In the longer term, as more assets become income-producing, it is the intention of the Trustee-Manager to adopt a lower percentage payment and distribute at least 90.0% of the Distributable Income to Unitholders.

The actual level of distribution will be determined at the Trustee-Manager’s discretion, having regard to factors such as the level of outperformance of the rental income against the original projection made by the Trustee-Manager, funding requirements, other capital management considerations and ensuring the overall stability of distributions.

Distributions, when paid, will be in Singapore dollars.

After Dasin Retail Trust has been admitted to the Official List of the SGX-ST, Dasin Retail Trust will make distributions to Unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. However, Dasin Retail Trust’s first distribution after the Listing Date will be for the period from the Listing Date and ending on 30 June 2017 and will be paid by the Trustee-Manager on or before 30 September 2017. Subsequent distributions will take place on a semi-annual basis. Under the Trust Deed, the Trustee-Manager is required to pay distributions within 90 days after each of the said dates. Distributions payable to a Unitholder which remain unclaimed after a period of 12 months shall be accumulated in a special account from which the Trustee-Manager may, from time to time, make payments to such Unitholder claiming any such distributions which he is entitled to. The Trustee-Manager may, at its absolute discretion and if practicable, cause such sums, which represent monies remaining in the special account for five years after the date such monies were placed into the special account and interest, if any, earned thereon, to be paid into the courts of Singapore in accordance with the provisions of the Trust Deed.
Dasin Retail Trust’s primary source of liquidity to fund distributions, payment of non-property expenses and other recurring capital expenditure will be from the receipts of Gross Revenue and any future borrowings.

In the event that there are gains arising from sales of the Properties, or part thereof, either directly or indirectly through the sales of shares in the PRC Property Companies or the Singapore Holding Companies, and only if such gains are surplus to the business requirements and needs of Dasin Retail Trust, the Trustee-Manager may, at its discretion, distribute such gains. Such gains, if not distributed, will form part of the Trust Property.

Unitholders will not be subject to Singapore income tax on distributions made by Dasin Retail Trust. There will also be no Singapore withholding tax on such distributions. (See “Taxation” and “Appendix D – Independent Taxation Report” of this Prospectus for further details.)

**DISTRIBUTION WAIVER FROM MAJOR UNITHOLDERS**

Ocean Metro Mall is located in an emerging district of Zhongshan City that has yet to mature. According to the Independent Valuers, the emerging Dongqu District that Ocean Metro Mall is located in will take seven to 10 years before it reaches a state of maturity. According to the Independent Market Research Consultant, the factors that will drive the growth of this catchment area include the development of the Dongqu District into a new commercial centre and the expected increase in number of high-rise buildings. In respect of Dasin E-Colour, it commenced operations recently in May 2015. As such, the income streams from both Properties have yet to stabilise to reach a level comparable to the market rate. Both Properties will therefore require income support for the first few years of operations before their income streams stabilise to the levels of market rate. (See “Overview – Distribution Waiver from Major Unitholders” of this Prospectus for further details).

As such, each of the Major Unitholders has provided the Distribution Waiver Undertakings to waive a portion of their entitlement to distributions from Dasin Retail Trust for the Distribution Waiver Period. The Distribution Waiver Undertakings reflect the Major Unitholders’ confidence in Dasin Retail Trust and benefit Unitholders by augmenting the level of cash distribution that can be paid.

For the avoidance of doubt, Bounty Way is not a Controlling Unitholder of Dasin Retail Trust as it will hold less than 15.0% of the Units on the Listing Date. (See “Ownership of the Units – Principal Unitholders of Dasin Retail Trust and their Unitholdings” of this Prospectus for further details.)
As the rental levels for the Initial Portfolio is expected to increase to a level that is comparable to the market rate over time, the percentages and number of Units held by Aqua Wealth and Bounty Way which will not be entitled to distributions will decrease over time as set out below.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>As a % of Total Outstanding Units as at the Listing Date</td>
<td>55.0%</td>
<td>48.0%</td>
<td>45.0%</td>
<td>35.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td>% of Units held by Aqua Wealth and Bounty Way, as at the Listing Date, which will not be entitled to Distributions (Assuming Over-Allotment Option is not exercised)</td>
<td>82.5%</td>
<td>72.0%</td>
<td>67.5%</td>
<td>52.5%</td>
<td>22.5%</td>
</tr>
<tr>
<td>% of Units held by Aqua Wealth and Bounty Way, as at the Listing Date, which will not be entitled to Distributions (Assuming Over-Allotment Option is exercised)</td>
<td>84.6%</td>
<td>73.8%</td>
<td>69.2%</td>
<td>53.8%</td>
<td>23.1%</td>
</tr>
<tr>
<td>Number of Units which will not be entitled to Distributions</td>
<td>302,283,481</td>
<td>263,811,038</td>
<td>247,322,848</td>
<td>192,362,214</td>
<td>82,440,948</td>
</tr>
</tbody>
</table>

The Trustee-Manager will distribute the total amount of the waived distribution to the Unitholders. For the avoidance of doubt, such waived distribution will also be distributed to each of Aqua Wealth and Bounty Way in relation to their Units that are not subject to the Distribution Waiver in any particular year.

The DPU and distribution yield for the Initial Portfolio as well as for the Initial Portfolio and Shiqi Metro Mall, both with and without the Distribution Waiver, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>DPU(1) (S$)</th>
<th>Distribution yield(1) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Forecast Year 2017</td>
<td>Projection Year 2018</td>
</tr>
<tr>
<td><strong>Initial Portfolio and Shiqi Metro Mall</strong></td>
<td><strong>(with the Distribution Waiver)</strong></td>
<td></td>
</tr>
<tr>
<td>0.0680(2)</td>
<td>0.0720(2)</td>
<td>8.5(2)</td>
</tr>
<tr>
<td><strong>Initial Portfolio and Shiqi Metro Mall</strong></td>
<td><strong>(without the Distribution Waiver)</strong></td>
<td></td>
</tr>
<tr>
<td>0.0307(2)</td>
<td>0.0378(2)</td>
<td>3.8(2)</td>
</tr>
<tr>
<td><strong>Initial Portfolio</strong></td>
<td><strong>(with the Distribution Waiver)</strong></td>
<td></td>
</tr>
<tr>
<td>0.0581</td>
<td>0.0610</td>
<td>7.3</td>
</tr>
<tr>
<td><strong>Initial Portfolio</strong></td>
<td><strong>(without the Distribution Waiver)</strong></td>
<td></td>
</tr>
<tr>
<td>0.0262</td>
<td>0.0319</td>
<td>3.3</td>
</tr>
</tbody>
</table>

Notes:

(1) The DPU and distribution yield are based on the Offering Price.
(2) In the event the acquisition of Shiqi Metro Mall is not completed by 30 June 2017 and in the absence of the compensation under the Shiqi Framework Agreement, the foregoing DPU and distribution yield may not materialise.
Pursuant to the Distribution Waiver Undertakings, each of Aqua Wealth and Bounty Way has also agreed to the Distribution Waiver Lock-up where each of Aqua Wealth and Bounty Way has irrevocably and unconditionally undertaken to remain as the holder of, and will not create encumbrances over the applicable Lock-up Distribution Units during the Distribution Waiver Period.

The restrictions in the Distribution Waiver Lock-up provided by Bounty Way do not apply to the transfer of its Lock-up Distribution Units to (i) the Family Trustee (in its capacity as trustee of the Zhang Family Trust) and/or one of the Family Trustee’s wholly-owned subsidiaries, and/or (ii) one or more of the wholly-owned subsidiaries of Bounty Way at any time from the date falling one year after the Listing Date, provided that such transferee executes and delivers an undertaking to the Trustee-Manager that it will comply with the Distribution Waiver Undertaking till the end of the Distribution Waiver Period.

On the Listing Date, the unit registrar of Dasin Retail Trust, Boardroom Corporate & Advisory Services Pte. Ltd. (the “Unit Registrar”), will inform CDP of the number of Lock-up Distribution Units to be credited into the respective moratorium securities accounts (or securities sub-accounts) operated by CDP (as specified by the Unit Registrar) as well as the corresponding Distribution Waiver Period. As such, prior to the expiry of the Distribution Waiver Period, the Lock-up Distribution Units cannot be transferred out of the moratorium securities accounts (or securities sub-accounts), save for any transfer of Bounty Way’s Lock-up Distribution Units to Aqua Wealth and/or one of Aqua Wealth’s wholly-owned subsidiaries, provided that, as mentioned above, such transferee executes and delivers an undertaking to the Trustee-Manager that it will comply with the Distribution Waiver Undertaking till the end of the Distribution Waiver Period. Only upon the expiry of the Distribution Waiver Period can Aqua Wealth and/or Bounty Way submit an application form to CDP to transfer the relevant Lock-Up Distribution Units for which the Distribution Waiver Period has expired, out of the moratorium securities account or securities sub-account to their respective designated securities account or securities sub-account, where there will be no moratorium restrictions.

Each of Aqua Wealth and Bounty Way has provided an undertaking to the Trustee-Manager that it will immediately inform the Trustee-Manager of any changes to the arrangement in relation to the moratorium securities account for the Lock-up Distribution Units.

**Expiry of the Distribution Waiver**

Details of Ocean Metro Mall and Dasin E-Colour from the Independent Market Research Report are set out below:

(a) As at 2014, the primary trade area of Ocean Metro Mall has an estimated total resident population of 47,000 and the secondary trade area has a total resident population of 194,000. It is projected that through 2018, the population of the primary trade area of Ocean Metro Mall will grow at a CAGR of 1.8, and that of the secondary trade area will grow at a CAGR of 1.5%. The increase of future population driven mainly by the increase in supply of residential communities will provide a higher footfall to Ocean Metro Mall in the future. In addition, most of the non-anchor tenant leases contain a rental escalation clause that provides for an annual adjustment, typically between 7.0% and 10.0%. This can be expected to be beneficial for the income stream of Ocean Metro Mall in the medium to long term. In addition, there are no direct competitors within the main trade area of Ocean Metro Mall. The properties that are considered to be competing with Ocean Metro Mall are located just outside of the border of the secondary trade area of Ocean Metro Mall. Besides, CBRE expects that one of the properties expected to be launched in 2018, Perfect Eagle Plaza, will only provide limited competition to Ocean Metro Mall, given that it will be located outside the main trade area and has a relatively limited overlap of target consumers with that of Ocean Metro Mall. However, the other property expected to be launched in 2018, Skyline International Plaza, which will be located within the main trade area, is expected to provide moderate to strong competition to Ocean Metro Mall; and
(b) As at 2014, the primary trade area of Dasin E-Colour has an estimated total resident population of 36,992 residents and secondary trade area has a total of 34,066 residents. Looking forward, CBRE estimates that by 2018, the total resident population within the primary and secondary trade areas will reach 65,798, an increase of 6.3% from present resident population levels. The increase in resident population levels will form a larger catchment area for Dasin E-Colour and therefore increase the number of consumers for Dasin E-Colour. In addition, most of the non-anchor tenant leases contain a rental escalation clause that provides for an annual adjustment, typically between 3.0% and 8.0%. This can be expected to be beneficial for the income stream of Dasin E-Colour in the short to medium term.

The Sponsor expects the growth trajectory of Ocean Metro Mall and Dasin E-Colour to be similar to that of Xiaolan Metro Mall in Xiaolan Town and Shiqi Metro Mall in the Shiqi District 10 years ago when those malls were one of the first shopping malls to be built in their respective Zhongshan districts. Those districts were also emerging areas then. (See “Appendix F – Independent Market Research Report” of this Prospectus for further details of Xiaolan Metro Mall and Shiqi Metro Mall.) In managing Ocean Metro Mall and Dasin E-Colour, the Sponsor Group had adopted similar management strategies and philosophies as before, in that it will work closely with its tenants to enable these tenants’ businesses to thrive, while charging them rental that would still allow the Sponsor Group to achieve an acceptable return on the property.

In addition, the Independent Valuers are of the opinion that the income support amounts under the Distribution Waiver are in line with the underlying market rental income for properties of similar nature to Ocean Metro Mall and Dasin E-Colour. See “Appendix E – Independent Property Valuation Summary Reports” of this Prospectus and the full valuation reports issued by the Independent Valuers for further details. This is based on the following assumptions:

(i) that the distribution yield is calculated based on the Offering Price;

(ii) the tenants’ lease tenure (excluding anchor tenants) and area maturity period of Ocean Metro Mall as at 30 June 2016 being three years subject to the expiration of the existing leases, and seven to 10 years respectively;

(iii) the tenants’ lease tenure (excluding anchor tenants) and area maturity period of Dasin E-Colour as at 30 June 2016 being three years subject to the expiration of the existing leases, and three to five years respectively; and

(iv) that the projections of the Sponsor and the Trustee-Manager regarding the rental rates of Ocean Metro Mall and Dasin E-Colour during the Distribution Waiver Period are met.

Each of the Independent Valuers is of the opinion that the projections regarding the average rental rate ranges of Ocean Metro Mall and Dasin E-Colour reflected in the tables below, and which the Sponsor and the Trustee-Manager had adopted in arriving at assumptions relating to the rental income for the aforementioned Properties for the purposes of determining the terms of the Distribution Waiver, are principally in line with the market rental ranges of Ocean Metro Mall and Dasin E-Colour adopted by them in arriving at the valuations of Ocean Metro Mall and Dasin E-Colour.

<table>
<thead>
<tr>
<th>Assumption</th>
<th>1 Jan to 31 Dec 2016</th>
<th>1 Jan to 31 Dec 2017</th>
<th>1 Jan to 31 Dec 2018</th>
<th>1 Jan to 31 Dec 2019</th>
<th>1 Jan to 31 Dec 2020</th>
<th>1 Jan to 31 Dec 2021</th>
<th>1 Jan to 31 Dec 2022</th>
<th>1 Jan to 31 Dec 2023</th>
<th>1 Jan to 31 Dec 2024</th>
<th>1 Jan to 31 Dec 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Rental Rate Range (RMB/sq m of GFA/month)</td>
<td>40 – 60</td>
<td>40 – 70</td>
<td>50 – 80</td>
<td>50 – 90</td>
<td>60 – 100</td>
<td>60 – 110</td>
<td>60 – 120</td>
<td>60 – 130</td>
<td>70 – 140</td>
<td>80 – 150</td>
</tr>
</tbody>
</table>
Save as disclosed under “Notice to Investors”, “Forward-Looking Statements”, “Risk Factors”, “Profit Forecast and Profit Projection”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Overview of Relevant Laws and Regulations in PRC” and “Appendix F – Independent Market Research Report” of this Prospectus, and barring any unforeseen circumstances, as at the Latest Practicable Date, the Directors are not aware of any known events that in their reasonable opinion are likely to have a material adverse effect which would result in the rental income generated by Ocean Metro Mall and Dasin E-Colour following expiry of the Distribution Waiver Period on 1 January 2021 becoming unsustainable and consequently causing the distribution yields of Dasin Retail Trust generated from the Initial Portfolio and Shiqi Metro Mall to become unsustainable following expiry of the Distribution Waiver Period on 1 January 2021. This is based on the assumption that the distribution yield is calculated based on the Offering Price as well as the projections of the Sponsor and the Trustee-Manager on the duration of rental cycles, market rental rates and growth trajectory of Ocean Metro Mall and Dasin E-Colour during the Distribution Waiver Period. Such distribution yield will vary accordingly for investors who purchase Units in the secondary market at a market price different from the Offering Price. Please also refer to the section entitled “Notice to Investors – Forward-Looking Statements” of this Prospectus.

In addition, the Trustee-Manager will:

(a) provide updates in Dasin Retail Trust’s annual report regarding the status of the Distribution Waiver, including whether the assumptions originally projected in the Prospectus (such as duration of the rental cycles, or the market rental rates) have been achieved or provide an explanation otherwise;
(b) announce the impending expiry of the Distribution Waiver at least a year prior to the expiry of the Distribution Waiver Undertakings; and

(c) provide information on the status of the Distribution Waiver in Dasin Retail Trust's full year financial results and annual reports (including Dasin Retail Trust's distribution policy, the amounts of distribution waived and duration remaining until the date on which the Distribution Waiver Undertakings would expire).
EXCHANGE RATE INFORMATION

The tables below set forth, for the period from 2013 to the Latest Practicable Date, information concerning the exchange rates between (i) RMB and Singapore dollars (in RMB per Singapore dollar) and (ii) Singapore dollars and US$ (in Singapore dollars per US$). The exchange rates were based on the average between the bid and offer rates of the currency as obtained from Bloomberg L.P.\(^{(1)}\). No representation is made that the RMB or US$ amounts actually represent such Singapore dollar amounts or could have been or could be converted into Singapore dollars at the rates indicated, at any other rate, or at all.

<table>
<thead>
<tr>
<th>Period ended</th>
<th>RMB/Singapore dollar</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Average</td>
<td>High</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td>4.9151</td>
<td>5.1079</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td>4.8638</td>
<td>5.0123</td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td>4.5731</td>
<td>4.7104</td>
</tr>
<tr>
<td>January 2016</td>
<td></td>
<td>4.5865</td>
<td>4.6127</td>
</tr>
<tr>
<td>February 2016</td>
<td></td>
<td>4.6577</td>
<td>4.7285</td>
</tr>
<tr>
<td>March 2016</td>
<td></td>
<td>4.7382</td>
<td>4.7970</td>
</tr>
<tr>
<td>April 2016</td>
<td></td>
<td>4.7981</td>
<td>4.8339</td>
</tr>
<tr>
<td>May 2016</td>
<td></td>
<td>4.7670</td>
<td>4.8267</td>
</tr>
<tr>
<td>June 2016</td>
<td></td>
<td>4.8713</td>
<td>4.9356</td>
</tr>
<tr>
<td>July 2016</td>
<td></td>
<td>4.9442</td>
<td>4.9818</td>
</tr>
<tr>
<td>August 2016</td>
<td></td>
<td>4.9342</td>
<td>4.9571</td>
</tr>
<tr>
<td>September 2016</td>
<td></td>
<td>4.9096</td>
<td>4.9504</td>
</tr>
<tr>
<td>October 2016</td>
<td></td>
<td>4.8622</td>
<td>4.8834</td>
</tr>
<tr>
<td>November 2016</td>
<td></td>
<td>4.8511</td>
<td>4.8855</td>
</tr>
<tr>
<td>1 December 2016 to the Latest Practicable Date</td>
<td></td>
<td>4.8361</td>
<td>4.8526</td>
</tr>
</tbody>
</table>

Note:

(1) Bloomberg L.P. has not provided its consent, for purposes of Section 282I of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 282N and 282O of the SFA. While the Trustee-Manager, the Sole Financial Adviser, Global Coordinator and Issue Manager and the Joint Bookrunners and Underwriters have taken reasonable actions to ensure that the information from the relevant report published by Bloomberg L.P. is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, neither the Trustee-Manager, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters nor any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.
<table>
<thead>
<tr>
<th>Period ended</th>
<th>Singapore dollar/United States dollar</th>
<th>Average</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
<td>1.2511</td>
<td>1.2838</td>
<td>1.2205</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td>1.2673</td>
<td>1.3255</td>
<td>1.2368</td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td>1.3747</td>
<td>1.4328</td>
<td>1.3174</td>
</tr>
<tr>
<td>January 2016</td>
<td></td>
<td>1.4323</td>
<td>1.4428</td>
<td>1.4122</td>
</tr>
<tr>
<td>February 2016</td>
<td></td>
<td>1.4047</td>
<td>1.4285</td>
<td>1.3897</td>
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<tr>
<td>March 2016</td>
<td></td>
<td>1.3714</td>
<td>1.4006</td>
<td>1.3484</td>
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<tr>
<td>April 2016</td>
<td></td>
<td>1.3498</td>
<td>1.3634</td>
<td>1.3373</td>
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<tr>
<td>May 2016</td>
<td></td>
<td>1.3708</td>
<td>1.3820</td>
<td>1.3405</td>
</tr>
<tr>
<td>June 2016</td>
<td></td>
<td>1.3530</td>
<td>1.3770</td>
<td>1.3376</td>
</tr>
<tr>
<td>July 2016</td>
<td></td>
<td>1.3506</td>
<td>1.3623</td>
<td>1.3397</td>
</tr>
<tr>
<td>August 2016</td>
<td></td>
<td>1.3479</td>
<td>1.3647</td>
<td>1.3392</td>
</tr>
<tr>
<td>September 2016</td>
<td></td>
<td>1.3589</td>
<td>1.3681</td>
<td>1.3466</td>
</tr>
<tr>
<td>October 2016</td>
<td></td>
<td>1.3838</td>
<td>1.3947</td>
<td>1.3651</td>
</tr>
<tr>
<td>November 2016</td>
<td></td>
<td>1.4114</td>
<td>1.4334</td>
<td>1.3833</td>
</tr>
<tr>
<td>1 December 2016 to the Latest Practicable Date</td>
<td></td>
<td>1.4274</td>
<td>1.4454</td>
<td>1.4168</td>
</tr>
</tbody>
</table>

Note:

(1) Bloomberg L.P. has not provided its consent, for purposes of Section 282I of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 282N and 282O of the SFA. While the Trustee-Manager, the Sole Financial Adviser, Global Coordinator and Issue Manager and the Joint Bookrunners and Underwriters have taken reasonable actions to ensure that the information from the relevant report published by Bloomberg L.P. is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, neither the Trustee-Manager, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters nor any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

EXCHANGE CONTROLS

Restrictions on Conversion of RMB into Foreign Currency

The principal regulation governing foreign currency exchange in PRC is the “Foreign Exchange Administration Rules” 《外汇管理条例》 which was issued by the State Council in January 1996, became effective in April 1996 and was amended in January 1997 and August 2008. Under these rules, Renminbi is freely convertible for payments of current account items, including trade and service related foreign exchange transactions and dividend payments, but not for capital account expenses, including direct investment, loan or investment in securities outside PRC. Renminbi may only be converted for capital account expenses once the prior approval of the SAFE has been obtained. Under the Foreign Exchange Administration Rules, foreign-invested enterprises in PRC may purchase foreign exchange without the approval of the SAFE for trade and service-related foreign exchange transactions by providing commercial documents evidencing such transactions to commercial banks which are allowed to engage in foreign exchange business.

Rentals fall into the category of current account items where Renminbi is freely convertible for payments. Therefore, a foreign company (including a Hong Kong-based legal entity), as the owner of a property located in PRC, may convert Renminbi denominated rentals into foreign exchange and remit the same offshore by presenting prerequisite documents to commercial banks which are
allowed to engage in foreign exchange business, without prior approval of, or registration with, the SAFE. The said prerequisite documents may include (i) a written application; (ii) underlying lease agreements; (iii) invoices or payment notices; (iv) documents evidencing the underlying lease agreements have been filed with competent authorities; and (v) tax certificates evidencing the related taxes have been paid off or waived by competent tax authorities, according to the “Guidelines for the Foreign Exchange Administration of Trade in Services” 《服务贸易外汇管理指引》 and the “Detailed Rules for the Implementation of the Guidelines for the Foreign Exchange Administration of Trade in Services” 《服务贸易外汇管理指引实施细则》 promulgated by the SAFE which came into effect on 1 September 2013 and the “Announcement of the State Administration of Taxation and the State Administration of Foreign Exchange” 《关于服务贸易等项目对外支付税务备案有关问题的公告》 jointly promulgated by the SAFE and the SAT, which came into effect on 1 September 2013. Failure to file the lease with the relevant authorities could result in restrictions on the conversion of the RMB-denominated rental income into foreign currency by the PRC commercial banks.

According to the Guidelines for the Foreign Exchange Administration of Trade in Services 《服务贸易外汇管理指引》 and the Detailed Rules for the Implementation of the Guidelines for the Foreign Exchange Administration of Trade in Services 《服务贸易外汇管理指引实施细则》 promulgated by the SAFE which came into effect on 1 September 2013, a foreign-invested company incorporated in PRC may remit dividends to its offshore shareholders by duly providing requisite documents to a bank authorised to engage in foreign exchange business (including, but not limited to, tax clearance certificates issued by the competent tax authorities, board resolution on the distribution of dividends, and audit reports issued by accounting firms) provided that the registered capital of the said foreign-invested company has been paid in on time, otherwise additional approval by the authorities will be required.

However, the relevant PRC Government authorities (especially the SAFE), which have significant administrative discretion in implementing the laws, may restrict or eliminate the ability of foreign-invested enterprises to purchase and remit foreign currencies in the future.
CAPITALISATION AND INDEBTEDNESS

The following table sets forth the pro forma capitalisation of the Dasin Retail Trust Group as at 30 June 2016 and as at the Latest Practicable Date, after the application of the total proceeds from the Offering and the issuance of the Aqua Wealth Units, Sino-Ocean Units and the Cornerstone Units. The information in the table below should be read in conjunction with “Use of Proceeds”.

The following table has been adjusted to give effect to the issue of Units and receipt of the total proceeds from the Offering and the issuance of the Aqua Wealth Units, Sino-Ocean Units and the Cornerstone Units.

The pro forma information below is illustrative only and does not take into account any potential changes in the Dasin Retail Trust Group’s borrowings and capitalisation after the Listing Date, other than to give effect to the Offering, the issuance of the Aqua Wealth Units, Sino-Ocean Units and the Cornerstone Units and the expected drawn down of a portion of the Facilities to repay the outstanding indebtedness of the Dasin Retail Trust Group and to part-finance the deferred purchase considerations for Xinrui Commercial, Zhongshan Yuanxin and Xinteng Commercial, as set out in “Capitalisation and Indebtedness – Indebtedness – Dasin Retail Trust’s Existing Debt”.

### Pro forma as at 30 June 2016 and as at the Latest Practicable Date (RMB’000)

<table>
<thead>
<tr>
<th></th>
<th>30 June 2016</th>
<th>Latest Practicable Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indebtedness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings (secured and guaranteed)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Due within one year</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>– Due after one year</td>
<td>1,198,900</td>
<td></td>
</tr>
<tr>
<td>Total indebtedness</td>
<td>1,198,900(1)</td>
<td></td>
</tr>
<tr>
<td>Total equity (net of equity issue expenses)</td>
<td>2,702,803</td>
<td></td>
</tr>
<tr>
<td>Total capitalisation and indebtedness</td>
<td>3,901,703</td>
<td></td>
</tr>
</tbody>
</table>

Note:
(1) Based on the drawn down amount of a portion of the Facilities of the equivalent of approximately RMB 1.2 billion.

INDEBTEDNESS

The Onshore Facility

As at the Listing Date, Dasin Retail Trust will have in place a RMB 400.0 million onshore syndicated term loan facility provided by DBS Bank (China) Limited, Guangzhou Branch, Bank of China Limited, Zhongshan Branch, Hang Seng Bank (China) Co., Ltd., Zhongshan Sub-branch, Malaysia Banking Berhad, Shenzhen Branch, Nanyang Commercial Bank (China) Limited, Guangzhou Branch, Industrial and Commercial Bank of China Limited, Zhongshan Branch (“ICBC”) (collectively, the “Onshore Lenders”), with a floating interest rate at 90.0% of the People's Bank of China’s (“PBOC”) benchmark one to five years lending rate per annum (estimated to be 4.275% per annum as at the Listing Date) (the “Onshore Facility”). The repayment schedule for the Onshore Facility is as follows:

(a) 0.5% of the outstanding amount six months after the date of the draw down;

(b) 0.5% of the outstanding amount 12 months after the date of the draw down;
(c) 0.5% of the outstanding amount 18 months after the date of the draw down;
(d) 0.5% of the outstanding amount 24 months after the date of the draw down;
(e) 0.5% of the outstanding amount 30 months after the date of the draw down;
(f) 0.5% of the outstanding amount 36 months after the date of the draw down;
(g) 0.5% of the outstanding amount 42 months after the date of the draw down;
(h) 0.5% of the outstanding amount 48 months after the date of the draw down;
(i) the remainder of the outstanding amount 54 months after the date of the draw down.

The Onshore Facility is secured by:

(i) unconditional and irrevocable guarantee from the Onshore Guarantors on a joint and several basis, where the “Onshore Guarantors” refer to each of the PRC Properties Companies except for Zhongshan Yuanxin and each of the Rental Management Companies;
(ii) a first ranking mortgage over Xiaolan Metro Mall, Ocean Metro Mall, Dasin E-Colour and Shiqi Metro Mall (collectively, the “Mortgaged Properties”);\(^1\)
(iii) pledge of all sales proceeds, rental income and receivables derived from the Mortgaged Properties;
(iv) assignment of all material agreement (including property management agreements, asset management agreements, master lease agreements and underlying retail leases etc.) in relation to the Mortgaged Properties;
(v) assignment of all insurance policies in relation to the Mortgaged Properties with Bank of China Limited, Zhongshan Branch, named as the first beneficiary;
(vi) any other security as may be reasonably required by the Onshore Lenders; and
(vii) an account control agreement.

The Onshore Facility contains mandatory prepayment provisions, which include, but are not limited to:

• any change of control event;
• any sales, transfer or disposal of the Mortgaged Properties (in part or in whole);
• Rental Management Companies cease to be the rental collecting agent for their respective PRC Property Companies;
• illegality; and
• suspension of trading by the SGX-ST for a period of three consecutive trading days.

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\(^1\) The first ranking mortgage for first floor of Xiaolan Metro Mall, Ocean Metro Mall and Shiqi Metro Mall will take place after the release and de-registration of their respective existing mortgages. The Onshore Lenders will be provided a second ranking mortgage over the first floor of Xiaolan Metro Mall and Ocean Metro Mall before that. The first ranking mortgage over Shiqi Metro Mall will be provided when Shiqi Metro Mall is acquired.
In relation to a “change of control” event under the Onshore Facility, any of the following change in the shareholding relationship and control shall be deemed as a “change of control” event:

- Dasin Retail Trust ceases to directly or indirectly own 100.0% of the share capital of Singapore Holding Companies;
- the Singapore Holding Companies cease to directly or indirectly own 100.0% of the share capital of the respective Onshore Obligors, where “Onshore Obligors” refer to the Zhongshan Yuanxin and the “Onshore Guarantors”; and
- the PRC Property Companies cease to directly own 100.0% of the interests in their respective Mortgaged Properties.

For as long as any amount under the Onshore Facility remains outstanding, the Onshore Obligors shall undertake to maintain the following financial covenants:

- the Onshore Obligors shall maintain a minimum blended Interest Service Coverage Ratio (“ISCR”)\(^1\) of 7.0x during the loan tenor; and
- the ISCR will be tested semi-annually with reference to a 12 month trailing period, ending on the last day of the calendar month immediately preceding the relevant Testing Interest Payment Date (each a “Calculation Period”).

The Offshore Facilities

As at the Listing Date, Dasin Retail Trust will have in place US$ and S$ denominated syndicated term loan facilities of up to the equivalent of S$430.0 million in aggregate (the “Offshore Facilities”) obtained from DBS Bank Ltd., Bank of China Limited, Singapore Branch, Hang Seng Bank Limited, Malayan Banking Berhad, Singapore Branch, Nanyang Commercial Bank, Limited, China Merchants Bank Co., Ltd, Singapore Branch, Industrial and Commercial Bank of China, Singapore Branch (collectively, the “Offshore Lenders”), with the effective interest payable on approximately 50.0% of the amount of the Offshore Facilities being on a fixed basis and the remainder on a floating basis. The Trustee-Manager intends to draw down from the Offshore Facilities an amount of no more than the equivalent of approximately S$180.0 million, being the equivalent of RMB 850.0 million, on the Listing Date, and the balance of the equivalent of approximately S$250.0 million will be drawn down to finance the acquisition of Shiqi Metro Mall. Each of the Offshore Facilities has different maturities of between 24- and 48-month terms as described below:

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\(^1\) ISCR is defined as Net Operating Cash Flow/Interest Payments, where:

- “Interest Payment” means the sum of amount of interest under all of the then outstanding Loans paid or payable during the Calculation Period.
- “Net Operating Cash Flow”, in respect of a Calculation Period, means the Operating Income of such Calculation Period minus the Operating Expenses of such Calculation Period (excluding any interest expenses and finance costs arising from the Facility).
- “Operating Income”, in respect of a Calculation Period, comprises (a) rental income from the Mortgage Properties; (b) other income including car park rents, signage income, and marketing and promotion fees collected in or allocated to such Calculation Period.
- “Operating Expenses”, in respect of a Calculation Period, comprises (a) PRC taxes including business tax, real estate tax, land use tax and other relevant taxes to be paid except for corporate income tax and withholding tax (if any); (b) insurance expense; (c) leasing commission; (d) marketing and promotion cost; (e) operational expenses for the maintenance and repair of the Mortgage Properties and (f) other operating expenses set forth in the annual business budget as approved by the Lender, each item paid or payable or allocated (as the case may be) in respect of such Calculation Period.

With reference to the Profit Forecast and Profit Projection, the expected blended ISCR is expected to be 11.9x and 17.1x for Forecast Year 2017 and Projection Year 2018 respectively.
(a) the equivalent of S$180.0 million repayable on the earlier of (i) the date falling 24 months from the date of first drawdown under the Offshore Facilities and (ii) the maturity date of the Onshore Facility;

(b) the equivalent of S$189.2 million repayable on the earlier of (i) the date falling 36 months from the date of first drawdown under the Offshore Facilities and (ii) the maturity date of the Onshore Facility; and

(c) the equivalent of S$60.8 million repayable on the earlier of (i) the date falling 48 months from the date of first drawdown under the Offshore Facilities and (ii) the maturity date of the Onshore Facility.

Dasin Retail Trust Management Pte. Ltd., in its capacity as trustee-manager of Dasin Retail Trust, is the Offshore Borrower. As at the Latest Practicable Date, it is estimated that the Offshore Facilities has an average effective interest rate of approximately 4.8% per annum in 2017, and approximately 5.1% per annum in 2018, which are inclusive of the upfront debt issuance costs.

Under the Offshore Facilities, the Offshore Borrower is required to enter into hedging arrangements with the Offshore Lenders which have acceded as hedging banks to the intercreditor agreement entered or to be entered into between, amongst others, the Offshore Borrower, the PRC Property Companies, the Rental Management Companies, the Offshore Lenders and the Onshore Lenders, to hedge at least (i) 40.0% of its interest rate exposure in relation to the Offshore Facilities and (ii) 40.0% arising out of or in connection with any direct or indirect remittance from any PRC Property Company or any Rental Management Company to the Offshore Borrower and/or the foreign exchange exposure in relation to the Offshore Facilities, where such hedging arrangements are to take effect on or before the date falling three months from the Listing Date.

The Offshore Facilities are secured by, among others:

(i) unconditional and irrevocable guarantees from the Singapore Holding Companies on a joint and several basis;

(ii) first ranking charges over the entire issued share capital of each of the Singapore Holding Companies ("Share Charges");

(iii) first ranking pledges over the entire issued share capital/equity interest of each of the PRC Property Companies and each of the Rental Management Companies ("Equity Pledges");

(iv) first priority account charge over all bank accounts of Offshore Borrower and Singapore Holding Companies (which bank accounts shall include without limitation a SG Cash Collection Account\(^1\) and SG Interest Reserve Account\(^2\) to be opened with the account bank) but subject to certain exclusions agreed between the Offshore Borrower and the Offshore Lenders;

(v) first fixed and floating charge and debenture over all of the assets of the Offshore Borrower and the Singapore Holding Companies but subject to certain exclusions agreed between the Offshore Borrower and the Offshore Lenders;

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\(^1\) Accounts to be opened by the Offshore Borrower and each Singapore Holding Company with the account bank for all income, proceeds and other moneys received in relation to the Properties (whether by way of dividends, shareholder loan principal and interest repayments, capital repatriation or otherwise).

\(^2\) A Singapore dollar account and a US$ account to be opened by the Offshore Borrower with the account bank, for the purposes of depositing and maintaining an amount equivalent to the higher of S$8.5 million and the interest projected to be accrued on the US$ and Singapore dollar portions of the Offshore Facilities for six months (as determined by the facility agent for the Offshore Facilities in accordance with the provisions of the Offshore Facilities.
(vi) assignment of all rights and benefits under all material agreements, insurances, property management agreements, hedging agreements by the Offshore Borrower and each Singapore Holding Company, but subject to certain exclusions agreed between the Offshore Borrower and the Offshore Lenders;

(vii) assignment of all present and future rights and interests of the Offshore Borrower in relation to inter-company debts and shareholder loans made to and by the Onshore Borrower and/or the Singapore Holding Companies and all dividends declared/upstreamed from each PRC Property Company and each Rental Management Company, but subject to certain exclusions agreed between the Offshore Borrower and the Offshore Leaders; and

(viii) subordination of inter-company debts and shareholder loans made to the Offshore Borrower and/or the Singapore Holding Companies but subject to certain exclusions agreed between the Offshore Borrower and the Offshore Lenders.

The Onshore Facilities (collectively, the “Facilities”) have cross-default provisions, where the occurrence of an event under the Offshore Facilities shall trigger an event of default under the Onshore Facility and vice versa.

The Offshore Facilities contain financial covenants which require that:

- the Unitholders’ funds\(^1\) shall not be less than the higher of (i) 75.0% of the net assets attributable to Unitholders as at 30 June 2016, and (ii) S$423.0 million;
- minimum Property Interest Coverage ratio\(^2\) of two times;
- minimum Consolidated Interest Coverage Ratio\(^3\) of two times;
- maximum gearing ratio\(^4\) shall not at any time exceed 45.0%.

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\(^1\) “Unitholders’ funds” refer to the consolidated net assets of Dasin Retail Trust at each reporting date.

\(^2\) “Property Interest Coverage Ratio” means the ratio of (a) Net Cash Available from the Mortgaged Properties Available for Debt Servicing (as defined below) to (b) the aggregate amount of interest accrued, paid and payable excluding the amortisation of borrowing costs in respect of any fees payable to the mandated lead arrangers and coordinators under the Offshore Facilities.

“Net Cash from Mortgaged Properties Available for Debt Servicing” means any cash derived from the Mortgaged Properties that can be received by the Offshore Borrower after deducting all expenses of the Offshore Borrower and the Singapore Holding Companies and may be used towards interest and debt servicing on the Offshore Facilities and any facility for the refinancing of certain of the Offshore Facilities on the maturity date applicable to those Offshore Facilities.

With reference to the Profit Forecast and Profit Projection, the Property Interest Coverage Ratio is expected to be approximately 3.2x and 2.8x for Forecast Year 2017 and Projection Year 2018 respectively.

\(^3\) “Consolidated Interest Coverage Ratio” means the ratio of (a) Net Cash Available for Debt Servicing (as defined below) to (b) the aggregate amount of interest accrued, paid and payable for all financial indebtedness of the Dasin Retail Trust Group, excluding the amortisation of borrowing costs in respect of any fees payable to the mandated lead arrangers and coordinators under any loan facilities.

“Net Cash Available for Debt Servicing” means the amount identified in the most recent financial statements of Dasin Retail Trust in respect of that relevant period as “total return before net changes in unrealised foreign exchange gain/(loss), fair value of investment properties, fair value of other investments & derivative financial instruments and income tax and share of results of associates” plus (i) the aggregate amount of interest accrued, paid and payable excluding the amortisation of borrowing costs in respect of any fees payable to the mandated lead arrangers and coordinators under any loan facilities incurred by the Dasin Retail Trust Group and (ii) all management (including property management) fees paid/payable via the issue of Units in the relevant period. For avoidance of doubt, the Net Cash Available for Debt Servicing excludes amounts standing to the credit of the SG Interest Reserve Account.

With reference to the Profit Forecast and Profit Projection, the Consolidated Interest Coverage Ratio is expected to be 2.8x and 2.9x for Forecast Year 2017 and Projection Year 2018 respectively.

\(^4\) As at the Listing Date, the gearing ratio is expected to be approximately 27.3%.
The Offshore Facilities contain mandatory prepayment provisions, including but not limited to:

- Mr. Zhang Kaicheng, Mr. Zhang Jiucheng, Mr. Zhang Zhongming and any of their respective spouses, children, siblings and parents (collectively, the "Immediate Family Members") cease to hold (whether directly or indirectly) in aggregate at least 51.0% of the equity interest and/or capital contribution in the issued share capital of the Sponsor;

- Mr. Zhang Zhencheng and any trust, wherein the beneficiaries of such trust consist of Mr. Zhang Zhencheng, Mr. Zhang Kaicheng, Mr. Zhang Jiucheng, Mr. Zhang Zhongming and/or any of their Immediate Family Members only, cease to hold (whether directly or indirectly) in aggregate of at least 51.0% of the Units;

- the Offshore Borrower ceases to hold (whether directly or indirectly) 100.0% of the issued and paid-up share capital in any of the Singapore Holding Companies, other than in accordance with the mandatory prepayment provision under the Offshore Facilities relating to a sale transfer or disposal of any interest in any Singapore Holding Company;

- the relevant Singapore Holding Company ceases to hold directly or indirectly 100.0% of the equity interest and/or capital contribution in the issued share capital of the relevant PRC Property Company other than in accordance with the relevant terms of the Offshore Facilities, other than in accordance with the mandatory prepayment provision under the Offshore Facilities relating to a sale transfer or disposal of any interest in any PRC Property Company; and

- the relevant Singapore Holding Company ceases to hold directly or indirectly 100.0% of the equity interest and/or capital contribution of the relevant Rental Management Company other than in accordance with the relevant terms of the Offshore Facilities, other than in accordance with the mandatory prepayment provision under the Offshore Facilities relating to a sale transfer or disposal of any interest in any Rental Management Company.

If any of the above are not complied with, the Offshore Lenders shall have the right to require prepayment of the Offshore Facilities.

The Offshore Facilities also contains additional covenant which requires that Mr. Zhang Zhencheng and his Immediate Family Members shall at all times hold (whether directly or indirectly) not less than 100.0% of the issued and paid-up share capital in the Trustee-Manager.

For the purposes of Rule 728 of the Listing Manual, each of Mr. Zhang Kaicheng, Mr. Zhang Jiucheng, Mr. Zhang Zhongming and Mr. Zhang Zhencheng has provided an undertaking that, (in the case of Mr. Zhang Kaicheng, Mr. Zhang Jiucheng and Mr. Zhang Zhongming, for so long as Mr. Zhang Kaicheng, Mr. Zhang Jiucheng and Mr. Zhang Zhongming owns no less than 51.0% of the shares in the Sponsor collectively), they will notify the Trustee-Manager as soon as each of them becomes aware of:

(a) (in the case of Mr. Zhang Kaicheng, Mr. Zhang Jiucheng and Mr. Zhang Zhongming) any share pledging arrangement relating to all or any of their shareholding in the Sponsor held directly or indirectly by Mr. Zhang Kaicheng, Mr. Zhang Jiucheng and Mr. Zhang Zhongming and their Immediate Family Members;

(b) (in the case of Mr. Zhang Zhencheng) any pledging arrangement relating to all or any of their unitholding in Dasin Retail Trust held directly or indirectly by Mr. Zhang Zhencheng and/or any trust, wherein the beneficiaries of such trust is Mr. Zhang Zhencheng, Mr. Zhang Kaicheng, Mr. Zhang Jiucheng, Mr. Zhang Zhongming and/or any of their Immediate Family Members;
Dasin Retail Trust’s Existing Debt

As at 31 October 2016, the Dasin Retail Trust Group has in place approximately RMB 704.3 million of existing debt comprising:

(a) the outstanding loan of approximately RMB 342.1 million payable by Xiaolan Xinduhui to ICBC;

(b) the outstanding loan of approximately RMB 193.7 million payable by Zhongshan Yuanxin to the Bank of China;

(c) the outstanding entrustment loans of approximately RMB 136.7 million payable by Zhongshan Yuanxin to the Industrial Bank Co., Ltd. (Zhongshan Branch);

(d) outstanding loans granted to Zhongshan Yuanxin by Dasin Property Investment and Beijing Yin Gang of approximately RMB 15.4 million and RMB 14.4 million respectively (See “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transaction – Past Interested Person Transactions – Advances by/to Interested Persons to/by the Dasin Retail Trust Group – Amounts due from Zhongshan Yuanxin to Interested Persons” of this Prospectus for further details.); and

(e) the outstanding amount of RMB 2.0 million owed by Xinteng Commercial to Dasin Management and Investment. (See “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transaction – Past Interested Person Transactions – Advances by Interests Persons to the Dasin Retail Trust Group – Amounts due from Xinteng Commercial and Xinrui Commercial to Dasin Management and Investment” of this Prospectus for further details.)

Some of the foregoing loans were extended to the Dasin Retail Trust Group on an arm’s length basis. Save for the outstanding loan of approximately RMB 342.1 million payable by Xiaolan Xinduhui to ICBC, the outstanding loans payable by Zhongshan Yuanxin, Xinrui Commercial and Xinteng Commercial, will be repaid in full on or shortly after the Listing Date using the loan amount drawn down from a portion of the Facilities.

The proceeds from the loan granted by ICBC to Xiaolan Xinduhui were used to extend advances to Dasin Management and Investment for its working capital purposes. (See “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transaction – Past Interested Person Transactions – Advances by/to the Dasin Retail Trust Group to/by the Dasin Retail Group” of this Prospectus for further details). The advances from Xiaolan Xinduhui to Dasin Management and Investment will be repaid prior to the Listing Date, and Xiaolan Xinduhui will use all or a portion of the proceeds from Dasin Management and Investment to discharge its outstanding loan of RMB 342.1 million from ICBC prior to the Listing Date.
The Trustee-Manager is unable to prepare the audited financial statements of the respective Properties in the pro forma group for the following reasons:

- Ocean Metro Mall and Dasin E-Colour only recently commenced operations in end December 2014 and May 2015 respectively. Given that Ocean Metro Mall had only been in operations for four days in FY2014, and that Dasin E-Colour had only commenced operations in May 2015, there is limited operating information relating to these Properties.

- Separate stand alone historical financial information is also not available for Xiaolan Metro Mall and Dasin E-Colour and the basis for comparison had changed substantially. Historically, both Xiaolan Metro Mall and Dasin E-Colour were held under Dasin Management and Investment, the Zhang Vendors’ wholly-owned subsidiary. Dasin Management and Investment also holds two other properties which have not been injected into Dasin Retail Trust (the “Excluded Assets”). On Listing, the holding structure of the Initial Portfolio is different from the historical holding structure. Xiaolan Metro Mall and Dasin E-Colour are each held under separate newly-incorporated PRC Property Companies of Dasin Retail Trust. The historical holding entities of each Property have not been injected into Dasin Retail Trust. As the ownership structure of Xiaolan Metro Mall and Dasin E-Colour and the capital structure of their holding entities have changed with the constitution of Dasin Retail Trust and the transfer of these Properties from the Sponsor to Dasin Retail Trust, it was difficult to obtain separate stand alone historical financial information of these two Properties for the Reporting Accountant, Deloitte & Touche LLP, to re-audit the relevant accounts of these two Properties, since the audited historical financial information of Xiaolan Metro Mall and Dasin E-Colour (including the operating and financing expenses incurred by the Sponsor historically) is commingled with that of the Excluded Assets.

- In addition, the Sponsor had managed and operated all the Properties in the Initial Portfolio and the Excluded Assets whereby any (i) surplus cash generated from these Properties and the Excluded Assets were centrally managed by the Sponsor and (ii) the funding requirements by these Properties and the Excluded Assets were centrally arranged and provided by the Sponsor. Hence, cash balances, borrowings, prepayments, payables and the resulting interest income and/or expenses recorded at the Dasin Management and Investment level were not directly attributable to individual Properties or the Excluded Assets. These balances were recorded in Dasin Management and Investment’s account (including those of the Excluded Assets) and the respective direct holding entities of the other three Properties held by the Zhang Vendors as inter-company receivables and payables. As such, the financial position of each individual Property in each financial year could not be meaningfully discerned as the aggregated balance under this central cash management arrangement was captured at the Dasin Management and Investment and the respective direct holding entities’ level, and from the historical financial statements, it was not clear what the surpluses or liabilities of individual Properties are for each financial year.
For the reasons stated above, the MAS has granted Dasin Retail Trust a waiver from the requirement to prepare audited financial information of Dasin Retail Trust for the three most recently completed financial years, upon the inclusion of the following information in this Prospectus:

- the unaudited pro forma financial information of the Dasin Retail Trust Group, comprising the pro forma financial statements of the following:
  
  (i) the comprehensive income of the Dasin Retail Trust Group for each completed financial year ending on 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016;
  
  (ii) the financial position of the Dasin Retail Trust Group as at 31 December 2015 and 30 June 2016; and
  
  (iii) the cash flows of the Dasin Retail Trust Group for each completed financial year ending on 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016; and

- a profit forecast for the financial year ending 31 December 2017 and profit projection for the full financial year 31 December 2018, including the financial information of Shiqi Metro Mall on the basis that the acquisition of Shiqi Metro Mall will be completed on 30 June 2017 (See “Profit Forecast and Profit Projection” of this Prospectus for further details).

The SGX-ST has also granted a waiver from Rule 409(3) of the Listing Manual, which requires the annual accounts of Dasin Retail Trust for each of the last three financial years to be submitted to the SGX-ST together with the application to the SGX-ST for the listing of Dasin Retail Trust, subject to inclusion of the abovementioned information in the Prospectus.

You should read the following unaudited pro forma financial information for the periods and as at the dates indicated in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, the Unaudited Pro Forma Financial Information in Appendix C and the accompanying notes included in that document.

The following tables present Dasin Retail Trust’s unaudited pro forma financial information for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016. Such unaudited pro forma financial information should be read in conjunction with the unaudited pro forma financial information included in the report in “Appendix B – Reporting Accountant’s Report on the Compilation of the Unaudited Pro Forma Financial Information of Dasin Retail Trust and its subsidiaries for the Financial Years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016” of this Prospectus.

Dasin Retail Trust’s unaudited pro forma financial information has been prepared for illustrative purposes only, required by the provisions set out in the Securities and Futures (Offers of Investment) (Business Trusts) (No. 2) Regulations 2005, and are based on certain assumptions after making certain adjustments to show what:

(i) the financial results of the Dasin Retail Trust Group for the years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016 would have been had the Significant Events occurred on 1 January 2013;

(ii) the financial position of the Dasin Retail Trust Group as at 31 December 2015 and 30 June 2016 would have been had the Significant Events occurred as at 31 December 2015; and

(iii) the cash flows of the Dasin Retail Trust Group for the years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016 would have been had the Significant Events occurred on 1 January 2013.
The unaudited pro forma financial information of the Dasin Retail Trust Group (the “Unaudited Pro Forma Financial Information”), based on the Offering Price of S$0.80 per Unit, is as follows:

### UNAUDITED PRO FORMA STATEMENTS OF COMPREHENSIVE INCOME

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<tr>
<td><strong>Gross revenue</strong></td>
<td>RMB'000</td>
<td>RMB'000</td>
<td>RMB'000</td>
<td>RMB'000</td>
<td>RMB'000</td>
</tr>
<tr>
<td>Business and property related tax</td>
<td>(10,382)</td>
<td>(10,899)</td>
<td>(17,899)</td>
<td>(9,058)</td>
<td>(8,630)</td>
</tr>
<tr>
<td>Property and commercial management fees</td>
<td>(1,938)</td>
<td>(2,052)</td>
<td>(3,111)</td>
<td>(1,403)</td>
<td>(1,872)</td>
</tr>
<tr>
<td>Other property operating expenses</td>
<td>(11,796)</td>
<td>(23,101)</td>
<td>(14,111)</td>
<td>(9,753)</td>
<td>(9,801)</td>
</tr>
<tr>
<td><strong>Total property operating expenses</strong></td>
<td>(24,116)</td>
<td>(36,052)</td>
<td>(35,121)</td>
<td>(20,214)</td>
<td>(20,303)</td>
</tr>
<tr>
<td><strong>Net property income</strong></td>
<td>72,793</td>
<td>66,538</td>
<td>120,445</td>
<td>49,951</td>
<td>73,277</td>
</tr>
<tr>
<td>Trustee-Manager’s fee</td>
<td>(13,183)</td>
<td>(13,183)</td>
<td>(26,333)</td>
<td>(6,591)</td>
<td>(6,591)</td>
</tr>
<tr>
<td>Other trust expenses</td>
<td>(4,232)</td>
<td>(4,277)</td>
<td>(4,406)</td>
<td>(2,203)</td>
<td>(2,269)</td>
</tr>
<tr>
<td>Finance income</td>
<td>356</td>
<td>60</td>
<td>81</td>
<td>25</td>
<td>35</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(57,126)</td>
<td>(57,126)</td>
<td>(57,126)</td>
<td>(28,563)</td>
<td>(28,563)</td>
</tr>
<tr>
<td><strong>(Loss)/Profit before income tax</strong></td>
<td>(1,392)</td>
<td>(7,988)</td>
<td>32,661</td>
<td>12,619</td>
<td>35,889</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(16,588)</td>
<td>(17,078)</td>
<td>(21,649)</td>
<td>(10,120)</td>
<td>(10,441)</td>
</tr>
<tr>
<td><strong>(Loss)/Profit for the year, representing total comprehensive income</strong></td>
<td>(17,980)</td>
<td>(25,066)</td>
<td>11,012</td>
<td>2,499</td>
<td>25,448</td>
</tr>
<tr>
<td>(Loss)/Earnings per unit attributable to Unitholders (cents)</td>
<td>(3.27)</td>
<td>(4.56)</td>
<td>2.00</td>
<td>0.45</td>
<td>4.63</td>
</tr>
</tbody>
</table>
**UNAUDITED PRO FORMA STATEMENTS OF FINANCIAL POSITION**

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB’000</td>
<td>RMB’000</td>
</tr>
</tbody>
</table>

**Current assets**
- Cash and cash equivalents: 77,000 77,000
- Trade and other receivables: 11,827 13,806
- Available for sale investments: – 12,000

**Non-current assets**
- Trade and other receivables: 14,624 16,485
- Investment properties: 4,563,000 4,563,000
- Plant and equipment: 4,252 3,750

**Total assets**: 4,670,703 4,686,041

**Current liabilities**
- Trade and other payables: 36,174 30,241
- Tax payable: 5,633 7,464

**Total liabilities**: 1,985,788 1,983,238

**Net assets**: 2,684,915 2,702,803

**Equity**
- Unitholders’ funds: 2,684,915 2,702,803
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB'000</td>
<td>RMB'000</td>
<td>RMB'000</td>
<td>RMB'000</td>
<td>RMB'000</td>
</tr>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Loss)/Profit before income tax</td>
<td>(1,392)</td>
<td>(7,988)</td>
<td>32,661</td>
<td>12,619</td>
<td>35,889</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Write off of accounts receivables</td>
<td>2,380</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Depreciation of plant and equipment</td>
<td>30</td>
<td>60</td>
<td>641</td>
<td>99</td>
<td>513</td>
</tr>
<tr>
<td>Finance costs</td>
<td>57,126</td>
<td>57,126</td>
<td>57,126</td>
<td>28,563</td>
<td>28,563</td>
</tr>
<tr>
<td>Finance income</td>
<td>(356)</td>
<td>(60)</td>
<td>(81)</td>
<td>(25)</td>
<td>(35)</td>
</tr>
<tr>
<td>Trustee-Manager’s fee paid in units</td>
<td>12,320</td>
<td>12,320</td>
<td>24,611</td>
<td>6,160</td>
<td>6,160</td>
</tr>
<tr>
<td><strong>Operating cash flow before movements in working capital</strong></td>
<td>70,108</td>
<td>61,458</td>
<td>114,958</td>
<td>47,416</td>
<td>71,090</td>
</tr>
<tr>
<td>Changes in working capital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>(414)</td>
<td>(6,466)</td>
<td>(18,622)</td>
<td>(5,589)</td>
<td>(3,840)</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(33,157)</td>
<td>(31,833)</td>
<td>(44,086)</td>
<td>(21,321)</td>
<td>(10,344)</td>
</tr>
<tr>
<td>Amount due from Sponsor Group</td>
<td>141,994</td>
<td>20,515</td>
<td>(13,930)</td>
<td>1,127</td>
<td>(1,476)</td>
</tr>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td>178,531</td>
<td>43,674</td>
<td>38,320</td>
<td>21,633</td>
<td>55,430</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(703)</td>
<td>(2,951)</td>
<td>(1,641)</td>
<td>(1,281)</td>
<td>(3,396)</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>177,828</td>
<td>40,723</td>
<td>36,679</td>
<td>20,352</td>
<td>52,034</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>356</td>
<td>60</td>
<td>81</td>
<td>25</td>
<td>35</td>
</tr>
<tr>
<td>Purchase of plant and equipment</td>
<td>(120)</td>
<td>(2,208)</td>
<td>(416)</td>
<td>(1,972)</td>
<td>(11)</td>
</tr>
<tr>
<td>Deposit paid for acquisition of plant and equipment</td>
<td>–</td>
<td>(2,249)</td>
<td>(18)</td>
<td>(242)</td>
<td>–</td>
</tr>
<tr>
<td>Purchase of available for sale investments</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(12,000)</td>
</tr>
<tr>
<td>Payment for acquisition of Initial Portfolio</td>
<td>(1,343,700)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(1,343,464)</td>
<td>(4,397)</td>
<td>(353)</td>
<td>(2,189)</td>
<td>(11,976)</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------</td>
<td>-------------------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Financing activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New bank borrowings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>raised</td>
<td>1,250,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Transaction costs related to borrowing from financial institution</td>
<td>(51,100)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Repayment of bank borrowings</td>
<td>(627,410)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(36,326)</td>
<td>(36,326)</td>
<td>(36,326)</td>
<td>(18,163)</td>
<td>(18,163)</td>
</tr>
<tr>
<td>Proceeds from listing, net off issuance costs</td>
<td>637,615</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Dividends paid to previous shareholders</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Proceeds from units issued to Unitholders prior to listing</td>
<td>66,077</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Net cash from (used in) financing activities</td>
<td>1,238,856</td>
<td>(36,326)</td>
<td>(36,326)</td>
<td>(18,163)</td>
<td>(40,058)</td>
</tr>
<tr>
<td>Increase in cash and cash equivalents</td>
<td>73,220</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Balance of cash and cash equivalents at the beginning of the year</td>
<td>3,780</td>
<td>77,000</td>
<td>77,000</td>
<td>77,000</td>
<td>77,000</td>
</tr>
<tr>
<td>Balance of cash and cash equivalents at the end of the year/period</td>
<td>77,000</td>
<td>77,000</td>
<td>77,000</td>
<td>77,000</td>
<td>77,000</td>
</tr>
</tbody>
</table>
This “Management’s Discussion and Analysis of Financial Condition and Results of Operations” is based on, and should be read in conjunction with, the full text of this Prospectus, including the section on Unaudited Pro Forma Financial Information with the Reporting Accountant’s Report, as set out in Appendices B and C of this Prospectus. Statements contained in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” that are not historical facts may be forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions which could cause actual results to differ materially from those forecasted and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Trustee-Manager or any other person, or that these results will be achieved or are likely to be achieved (See “Forward-looking Statements” and “Risk Factors” of this Prospectus for further details). Recipients of this Prospectus and all prospective investors in the Units are cautioned not to place undue reliance on these forward-looking statements.

The unaudited pro forma financial information of the Dasin Retail Trust Group (consisting of the pro forma statements of comprehensive income of the Dasin Retail Trust Group for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016, the pro forma statements of financial position of the Dasin Retail Trust Group as at 31 December 2015 and 30 June 2016, as well as the pro forma statement of cash flows of the Dasin Retail Trust Group for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016), have been prepared for illustrative purposes only, and are based on certain assumptions after making certain adjustments to show what:

(i) the financial results of the Dasin Retail Trust Group for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016 would have been had the Significant Events occurred on 1 January 2013;

(ii) the financial position of the Dasin Retail Trust Group as at 31 December 2015 and 30 June 2016 would have been had the Significant Events occurred as at 31 December 2015 and 30 June 2016; and

(iii) the cash flows of the Dasin Retail Trust Group for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016 would have been had the Significant Events occurred on 1 January 2013.

The Unaudited Pro Forma Financial Information of Dasin Retail Trust is not necessarily indicative of the results of operations or the financial position that would have been attained had the Offering and the acquisition of the Initial Portfolio actually occurred in the relevant periods. The Unaudited Pro Forma Financial Information, because of its nature, may not give a true or accurate picture of Dasin Retail Trust's actual total returns or financial position.

The following discussion and analysis of the financial condition and results of operations is based on, and should be read in conjunction with, the Unaudited Pro Forma Financial Information and the related notes thereto, which are included elsewhere in this Prospectus.
OVERVIEW

General Background

Dasin Retail Trust is a business trust to be listed on the Main Board of the SGX-ST. Dasin Retail Trust’s principal investment mandate 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.

The Trustee-Manager’s key financial objectives are to provide Unitholders with an attractive rate of return on their investment in Dasin Retail Trust through regular and stable distributions to Unitholders and to achieve long-term sustainable growth in DPU and NAV per Unit, while maintaining an appropriate capital structure for Dasin Retail Trust.

Dasin Retail Trust’s Initial Portfolio

Dasin Retail Trust’s Initial Portfolio consists of the following Properties located in China:

(i) Xiaolan Metro Mall;
(ii) Ocean Metro Mall; and
(iii) Dasin E-Colour.

FACTORS AFFECTING DASIN RETAIL TRUST’S RESULTS OF OPERATIONS

General Economic Conditions and Demand and Supply Conditions of Retail Property Sectors

The Properties are located in PRC. Correspondingly, Dasin Retail Trust’s business and results of operations are affected by, among other things, the demand for, and supply of, real estate space in PRC which are in turn affected by general economic conditions in PRC in general. The principal competitive factors comprise rental rates, quality and location of properties, supply of comparable space and evolving needs of tenants. The accessibility of, and trade mix within, a retail property, are also major factors in attracting shoppers and tenants.

Gross Revenue

Dasin Retail Trust’s Gross Revenue comprises:

• Gross Rental Income; and
• other income earned from the Properties, including car park revenue, advertising and other income attributable to the operation of the Properties.
Dasin Retail Trust’s Gross Revenue is affected by a number of factors, including:

- rental rates for the Properties;
- occupancy and renewal rates; and
- general macro-economic and supply/demand trends affecting the real estate market, in particular, the retail property sector in PRC.

Rental rates, occupancy and lease renewal rates are affected by competition from other properties. (See “Business and Properties – Competition” of this Prospectus for further details.)

The following table sets out details of Dasin Retail Trust’s pro forma Gross Revenue for FY2013, FY2014, FY2015, HY2015 and HY2016.

<table>
<thead>
<tr>
<th>Year ended 31 December</th>
<th>Year ended 31 December</th>
<th>Year ended 31 December</th>
<th>Six-Month Period ended 30 June</th>
<th>Six-Month Period ended 30 June</th>
</tr>
</thead>
<tbody>
<tr>
<td>(RMB’000)</td>
<td>(RMB’000)</td>
<td>(RMB’000)</td>
<td>(RMB’000)</td>
<td>(RMB’000)</td>
</tr>
<tr>
<td>Gross Rental Income</td>
<td>88,823</td>
<td>95,471</td>
<td>139,096</td>
<td>67,242</td>
</tr>
<tr>
<td>Other Income</td>
<td>8,086</td>
<td>7,119</td>
<td>16,470</td>
<td>2,923</td>
</tr>
<tr>
<td>Total Gross Revenue</td>
<td>96,909</td>
<td>102,590</td>
<td>155,566</td>
<td>70,165</td>
</tr>
</tbody>
</table>

**Gross Rental Income**

Gross Rental Income for each tenant consists of:

- Fixed Rent;
- Turnover Rent; or
- the higher of the Base Rent or Turnover Rent.

Tenancies may be charged using the fixed rent method, the turnover rent method, or the higher of the base rent or turnover rent method.

Under the fixed rent method, tenants are charged rent at fixed pre-determined rates (after adjusting for leasing incentives such as rent rebates and rent-free periods where applicable).

Under the turnover rent method, tenants are charged rent generally calculated as a pre-determined percentage of their gross turnover.

Under the higher of the base rent or turnover rent method, tenants are charged rent generally calculated as a pre-determined percentage of their gross turnover, subject to a minimum rent (i.e., Base Rent).

**Other Income**

Other income comprises car park revenue, advertising revenue, atrium leasing revenue, tenant promotional fee and other income attributable to the operation of the Properties.
**Property Operating Expenses**

Dasin Retail Trust's property operating expenses comprise mainly:

- Property and Commercial Management Fees;
- taxes (including business and property-related taxes); and
- other property operating expenses such as marketing and promotion expenses, staff cost, utilities, repair and maintenance, cleaning and security expenses.

Dasin Retail Trust's property operating expenses are affected by a number of factors, including, but not limited to:

- the age and condition of the Properties;
- fee arrangements for property and commercial management services;
- changes in the PRC tax regime;
- changes in the rate of inflation;
- changes in charges such as utilities tariffs; and
- the number of properties in Dasin Retail Trust's portfolio.

Dasin Retail Trust's property operating expenses may not be affected to the same degree as its Gross Revenue by the general macroeconomic trends affecting the property market in PRC (which may impact occupancy and rental rates) as a substantial portion of its property operating expenses are fixed expenses.

The following table sets out details of Dasin Retail Trust's pro forma property operating expenses for FY2013, FY2014, FY2015, HY2015 and HY2016.

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 December 2013 (RMB'000)</th>
<th>Year ended 31 December 2014 (RMB'000)</th>
<th>Year ended 31 December 2015 (RMB'000)</th>
<th>Six-Month Period ended 30 June 2015 (RMB'000)</th>
<th>Six-Month Period ended 30 June 2016 (RMB'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business and property related tax</td>
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<td>10,899</td>
<td>17,899</td>
<td>9,058</td>
<td>8,630</td>
</tr>
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<td>2,052</td>
<td>3,111</td>
<td>1,403</td>
<td>1,872</td>
</tr>
<tr>
<td>Other property operating expenses</td>
<td>11,796</td>
<td>23,101</td>
<td>14,111</td>
<td>9,753</td>
<td>9,801</td>
</tr>
<tr>
<td><strong>Total Property Operating Expenses</strong></td>
<td><strong>24,116</strong></td>
<td><strong>36,052</strong></td>
<td><strong>35,121</strong></td>
<td><strong>20,214</strong></td>
<td><strong>20,303</strong></td>
</tr>
</tbody>
</table>
Property and Commercial Management Fees

The Property and Commercial Management Fee of 2.0% of the monthly gross revenue of the relevant property comprises the Property Management Fees of 1.0% (of the monthly gross revenue of the relevant property) payable to the Property Manager and Commercial Management Fees of 1.0% (of the monthly gross revenue of the relevant property) payable to the Commercial Manager.

The Property Management Fee includes property management fees, property management transition fees and general management services fees. The Commercial Management Fee includes marketing management fees and marketing services commission.

Taxes

Taxes comprise property-related taxes and business taxes. See “Taxation – PRC Taxation” of this Prospectus for further details regarding the taxes.

Other Property Operating Expenses

Other property operating expenses comprise staff costs, marketing and promotion expenses, statutory and professional fees, utilities repair and maintenance, cleaning, security and other expenses in relation to the Properties. Staff costs comprise salaries for a dedicated rental management team, including accounting and finance personnel. General and administrative expenses comprise expenses such as statutory fees, printing and stationery expenses, telephone charges, audit fees, valuation, insurance and entertainment expenses.

Non-Property Expenses

Dasin Retail Trust’s expenses comprise mainly:

- the Trustee-Manager’s fees;
- other trust expenses; and
- finance costs.

The following table sets out details of Dasin Retail Trust’s pro forma non-property expenses for FY2013, FY2014, FY2015, HY2015 and HY2016.

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 December 2013 (RMB’000)</th>
<th>Year ended 31 December 2014 (RMB’000)</th>
<th>Year ended 31 December 2015 (RMB’000)</th>
<th>Six-Month Period ended 30 June 2015 (RMB’000)</th>
<th>Six-Month Period ended 30 June 2016 (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trustee-Manager’s fees</td>
<td>13,183</td>
<td>13,183</td>
<td>26,333</td>
<td>6,591</td>
<td>6,591</td>
</tr>
<tr>
<td>Other trust expenses</td>
<td>4,232</td>
<td>4,277</td>
<td>4,406</td>
<td>2,203</td>
<td>2,269</td>
</tr>
<tr>
<td>Finance costs</td>
<td>57,126</td>
<td>57,126</td>
<td>57,126</td>
<td>28,563</td>
<td>28,563</td>
</tr>
<tr>
<td><strong>Total Non-Property Expenses</strong></td>
<td><strong>74,541</strong></td>
<td><strong>74,586</strong></td>
<td><strong>87,865</strong></td>
<td><strong>37,357</strong></td>
<td><strong>37,423</strong></td>
</tr>
</tbody>
</table>
**Trustee-Manager's Fees**

Under the Trust Deed, the Trustee-Manager is entitled to a management fee (comprising a base fee and a performance fee) and a Trustee Fee, computed as follows:

- a Management Fee comprising:
  - a base fee of
    - 0.25% per annum of the value of the Trust Property\(^{(1)}\), if the value of the Trust Property\(^{1}\) is less than or equal to S$10.0 billion; or
    - 0.25% per annum of the value of the Trust Property\(^{(1)}\) up to S$10.0 billion plus the rate of 0.20% per annum of the value of the Trust Property\(^{(1)}\) which exceeds S$10.0 billion, if the value of the Trust Property\(^{(1)}\) is greater than S$10.0 billion; and
  - a performance fee of 25.0% of the difference in DPU in a financial year with the DPU in the preceding full financial year (calculated before accounting for the performance fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year; and
- a Trustee Fee of 0.02% per annum of the Value of the Trust Property.

**Note:**

(1) For the purposes of calculations of the base fee only, the value of the Trust Property shall not include the value of the investments in vacant land and uncompleted property\(^{1}\) developments by Dasin Retail Trust. For the avoidance of doubt, the land costs of such uncompleted property development will not be included in the computation of value of the Trust Property for the purposes of calculating the Base Fee.

Any increase in the rate or any change in the structure of the Trustee-Manager’s fee must be approved by an Extraordinary Resolution of Unitholders passed at a Unitholders’ meeting duly convened and held in accordance with the provisions of the Trust Deed.

**Other Trust Expenses**

Other trust expenses of Dasin Retail Trust include recurring trust expenses such as annual listing fees, valuation fees, legal fees, registry and depository charges, accounting, audit and tax adviser’s fees, postage, printing and stationery costs, costs associated with the preparation of annual reports, investor communications costs and other miscellaneous expenses.

**Finance Costs**

Finance costs relate to interest expenses on bank borrowings and amortisation of transaction costs.

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\(^{1}\) An “uncompleted property” is one that has not been granted a temporary occupation permit or equivalent by the relevant authorities.
**Gross Revenue Trends**

The table below sets out the Gross Revenue derived from each of the Properties for FY2013, FY2014, FY2015, HY2015 and HY2016.

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 December 2013 (RMB’000)</th>
<th>Year ended 31 December 2014 (RMB’000)</th>
<th>Year ended 31 December 2015 (RMB’000)</th>
<th>Six-Month Period ended 30 June 2015 (RMB’000)</th>
<th>Six-Month Period ended 30 June 2016 (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xiaolan Metro Mall</td>
<td>88,823</td>
<td>91,885</td>
<td>94,728</td>
<td>47,196</td>
<td>44,960</td>
</tr>
<tr>
<td>Ocean Metro Mall</td>
<td>–</td>
<td>3,586</td>
<td>41,142</td>
<td>20,046</td>
<td>22,681</td>
</tr>
<tr>
<td>Dasin E-Colour</td>
<td>–</td>
<td>–</td>
<td>3,226</td>
<td>–</td>
<td>7,718</td>
</tr>
<tr>
<td><strong>Gross Rental Income</strong></td>
<td>88,823</td>
<td>95,471</td>
<td>139,096</td>
<td>67,242</td>
<td>75,359</td>
</tr>
<tr>
<td><strong>Other Revenue</strong></td>
<td>8,086</td>
<td>7,119</td>
<td>16,470</td>
<td>2,923</td>
<td>18,221</td>
</tr>
<tr>
<td><strong>Total Gross Revenue</strong></td>
<td>96,909</td>
<td>102,590</td>
<td>155,566</td>
<td>70,165</td>
<td>93,580</td>
</tr>
</tbody>
</table>

**Occupancy Trends**

The table below sets out information on the average occupancy rates of the Properties for FY2013, FY2014, FY2015, HY2015 and HY2016. Average occupancy is computed based on the average monthly occupied NLA over the aggregate NLA of the Properties for that period.

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 December 2013 (%)</th>
<th>Year ended 31 December 2014 (%)</th>
<th>Year ended 31 December 2015 (%)</th>
<th>Six-Month Period ended 30 June 2015 (%)</th>
<th>Six-Month Period ended 30 June 2016 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xiaolan Metro Mall</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Ocean Metro Mall(1)</td>
<td>–</td>
<td>–</td>
<td>96.4</td>
<td>93.5</td>
<td>99.5</td>
</tr>
<tr>
<td>Dasin E-Colour(2)</td>
<td>–</td>
<td>–</td>
<td>48.7</td>
<td>50.0</td>
<td>92.8</td>
</tr>
<tr>
<td><strong>Average Occupancy</strong></td>
<td>100.0</td>
<td>100.0</td>
<td>94.3</td>
<td>93.3</td>
<td>99.2</td>
</tr>
</tbody>
</table>

**Notes:**

(1) Ocean Metro Mall only commenced operations on 28 December 2014.

(2) Dasin E-Colour only commenced operation in May 2015.

**COMPARISON OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 WITH THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

**Gross Revenue**

Gross Revenue increased by 5.9% to RMB 102.6 million for the financial year ended 31 December 2014 from RMB 96.9 million for the financial year ended 31 December 2013. This was due to positive rental reversions achieved on leases expiring during the year.
**Gross Rental Income**

Rental Income increased by 7.5% to RMB 95.5 million for the financial year ended 31 December 2014 from RMB 88.8 million for the financial year ended 31 December 2013. This was due to positive rental reversions achieved on leases expiring during the year.

**Other Income**

Other income earned from the Properties, including car park revenue, advertising and other income attributable to the operation of the Properties, decreased by 12.0% to RMB 7.1 million for the financial year ended 31 December 2014 from RMB 8.1 million for the financial year ended 31 December 2013. This was due to a decrease in car park income and booth fees income for the year.

**Property Operating Expenses**

Property operating expenses increased by 49.5% to RMB 36.1 million for the financial year ended 31 December 2014 from RMB 24.1 million for the financial year ended 31 December 2013. This was mainly due to higher other operating expenses incurred during the year, which is further explained below.

**Property and Commercial Management Fees**

Property and Commercial Management Fees increased by 5.9% to RMB 2.1 million for the financial year ended 31 December 2014 from RMB 1.9 million for the financial year ended 31 December 2013. This was due to an increase in gross revenue for the year.

**Taxes**

Taxes include business tax and other taxes, and real estate tax. There was an increase of 5.0% to RMB 10.9 million for the financial year ended 31 December 2014 from RMB 10.4 million for the financial year ended 31 December 2013. This was due to an increase in business tax and real estate tax arising from higher gross revenue for the year.

**Other Property Operating Expenses**

Other property operating expenses increased by 95.8% to RMB 23.1 million for the financial year ended 31 December 2014 from RMB 11.8 million for the financial year ended 31 December 2013. This was due to higher marketing, advertising and decoration costs incurred during the leasing and ramp up phase of one of the Properties, Ocean Metro Mall, prior to the official opening of the mall in December 2014.

**Net Property Income**

As a result of the above factors, Dasin Retail Trust’s Net Property Income decreased by 8.6% to RMB 66.5 million for the financial year ended 31 December 2014 from RMB 72.8 million for the financial year ended 31 December 2013.

**Non-Property Expenses**

**Trustee-Manager’s Fees**

The Trustee-Manager’s fees remained flat at RMB 13.2 million for the financial year ended 31 December 2014 as the value of the Trust Property remained unchanged. Details of the calculation method of the Trustee-Manager’s fees can be found in “Overview – Certain Fees and
Charges” of this Prospectus and in the Trust Deed. For the purpose of the Unaudited Pro Forma Statements of Comprehensive Income, the value of the Trust Property is based on the value as at the end of each reporting period.

**Other Trust Expenses**

Other trust expenses increased by 1.1% to RMB 4.3 million for the financial year ended 31 December 2014 from RMB 4.2 million for the financial year ended 31 December 2013. Other trust expenses of Dasin Retail Trust include recurring trust expenses such as annual listing fees, valuation fees, legal fees, registry and depository charges, accounting, audit and tax adviser’s fees, postage, printing and stationery costs, costs associated with the preparation of annual reports, investor communications costs, security agent fees, debt facility agent fees and other miscellaneous expenses.

**Finance Costs**

Finance costs consist of interest expense and amortisation of transaction costs. Finance costs remained stable across the comparison periods.

**Net Income**

Dasin Retail Trust’s net income decreased by 39.4% to a loss of RMB 25.1 million for the financial year ended 31 December 2014 from a loss of RMB 18.0 million for the financial year ended 31 December 2013. This was mainly due to an increase in other property operating expenses during the year.

**COMPARISON OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 WITH THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

**Gross Revenue**

Gross Revenue increased by 51.6% to RMB 155.6 million for the financial year ended 31 December 2015 from RMB 102.6 million for the financial year ended 31 December 2014. This was due to rental income contributed by Ocean Metro Mall and Dasin E-Colour which commenced operations in December 2014 and May 2015 respectively.

**Gross Rental Income**

Rental Income increased by 45.7% to RMB 139.1 million for the financial year ended 31 December 2015 from RMB 95.5 million for the financial year ended 31 December 2014. This was due to rental income contributed by Ocean Metro Mall and Dasin E-Colour which commenced operations on 28 December 2014 and May 2015 respectively.

**Other Income**

Other income earned from the Properties, including car park revenue, advertising and other income attributable to the operation of the Properties, increased by 131.3% to RMB 16.5 million for the financial year ended 31 December 2015 from RMB 7.1 million for the financial year ended 31 December 2014. This was due to advertising and atrium leasing income contributed by Ocean Metro Mall during the year.

**Property Operating Expenses**

Property operating expenses decreased by 2.6% to RMB 35.1 million for the financial year ended 31 December 2015 from RMB 36.1 million for the financial year ended 31 December 2014.
**Property and Commercial Management Fees**

Property and Commercial Management Fees increased by 51.6% to RMB 3.1 million for the financial year ended 31 December 2015 from RMB 2.1 million for the financial year ended 31 December 2014. This was due to increase in gross revenue for the year contributed by the newly opened malls.

**Taxes**

Taxes include business tax and other taxes, and real estate tax. There was an increase by 64.2% to RMB 17.9 million for the financial year ended 31 December 2015 from RMB 10.9 million for the financial year ended 31 December 2014. This was due to an increase in business tax and real estate tax arising from higher gross revenue for the year contributed by the newly opened malls.

**Other Property Operating Expenses**

Other property operating expenses decreased by 38.9% to RMB 14.1 million for the financial year ended 31 December 2015 from RMB 23.1 million for the financial year ended 31 December 2014. This was due to lower marketing, advertising and decoration costs incurred during the year. In year 2014, higher marketing, advertising and decoration costs were incurred during the leasing and ramp up phase of Ocean Metro Mall which was opened on 28 December 2014.

**Net Property Income**

As a result of the above factors, Dasin Retail Trust’s Net Property Income increased by 81.0% to RMB 120.4 million for the financial year ended 31 December 2015 from RMB 66.5 million for the financial year ended 31 December 2014.

**Non-Property Expenses**

**Trustee-Manager’s Fees**

The Trustee-Manager’s fees increased by 99.7% to RMB 26.3 million for the financial year ended 31 December 2015 from RMB 13.2 million for the financial year ended 31 December 2014. Details of the calculation method of the Trustee-Manager’s fees can be found in “Overview – Certain Fees and Charges” of this Prospectus and the Trust Deed. For the purpose of the unaudited pro forma statements of total return, the value of the Trust Property is based on the value as at the end of each reporting period.

**Other Trust Expenses**

Other trust expenses increased by 3.0% to RMB 4.4 million for the financial year ended 31 December 2015 from RMB 4.3 million for the financial year ended 31 December 2014. Other trust expenses of Dasin Retail Trust include recurring trust expenses such as annual listing fees, valuation fees, legal fees, registry and depository charges, accounting, audit and tax adviser’s fees, postage, printing and stationery costs, costs associated with the preparation of annual reports, investor communications costs, security agent fees, debt facility agent fees and other miscellaneous expenses.

**Finance Costs**

Finance costs consist of interest expense and amortisation of transaction costs. Finance costs remained stable across the comparison periods.
**Net Income**

Dasin Retail Trust's net income for the financial year ended 31 December 2015 was a profit of RMB 11.0 million as compared to a loss of RMB 25.1 million as at 31 December 2014. This was due to an increase in gross revenue contributed by Ocean Metro Mall and Dasin E-Colour which commenced operations on 28 December 2014 and May 2015 respectively.

**COMPARISON OF THE SIX-MONTH PERIOD ENDED 30 JUNE 2015 WITH THE SIX-MONTH PERIOD ENDED 30 JUNE 2016**

**Gross Revenue**

Gross Revenue increased by 33.4% to RMB 93.6 million for the six months ended 30 June 2016 from RMB 70.2 million for the six months ended 30 June 2015. This was mainly due to gross revenue contributed by Ocean Metro Mall and Dasin E-Colour which commenced operations in December 2014 and May 2015 respectively.

**Gross Rental Income**

Rental Income increased by 12.1% to RMB 75.4 million for the six months ended 30 June 2016 from RMB 67.2 million for the six months ended 30 June 2015. This was mainly due to rental income contributed by Dasin E-Colour which commenced operations in May 2015.

**Other Income**

Other income earned from the Properties, including car park revenue, advertising and other income attributable to the operation of the Properties, increased by 523.4% to RMB 18.2 million for the six months ended 30 June 2016 from RMB 2.9 million for the six months ended 30 June 2015. This was mainly due to increase in advertising income and income from temporary space rental contributed by Xiaolan Metro Mall and Ocean Metro Mall.

**Property Operating Expenses**

Property operating expenses increased by 0.4% to RMB 20.3 million for the six months ended 30 June 2016 from RMB 20.2 million for the six months ended 30 June 2015.

**Property and Commercial Management Fees**

Property and Commercial Management Fees increased by 33.4% to RMB 1.9 million for the six months ended 30 June 2016 from RMB 1.4 million for the six months ended 30 June 2015. This was due to increase in gross revenue for the period contributed by the newly opened malls.

**Taxes**

Taxes include the business tax, land use tax, real estate tax and stamp duty. There was a decrease by 4.7% to RMB 8.6 million for the six months ended 30 June 2016 from RMB 9.1 million for the six months ended 30 June 2015.

**Other Property Operating Expenses**

Other property operating expenses increased by 0.5% to RMB 9.8 million for the six months ended 30 June 2016 from RMB 9.7 million for the six months ended 30 June 2015.
Net Property Income

As a result of the above factors, Dasin Retail Trust’s Net Property Income increased by 46.7% to RMB 73.3 million for the six months ended 30 June 2016 from RMB 50.0 million for the six months ended 30 June 2015.

Non-Property Expenses

Trustee-Manager’s Fees

The Trustee-Manager’s fees remained flat at RMB 6.6 million for the six months ended 30 June 2016 as the value of the Trust Property remained unchanged. Details of the calculation method of the Trustee-Manager’s fees can be found in “Overview — Certain Fees and Charges” and the Trust Deed. For the purpose of the Unaudited Pro Forma Statements of Total Return, the value of the Trust Property is based on the value as at the end of each reporting period.

Other Trust Expenses

Other trust expenses of Dasin Retail Trust include recurring trust expenses such as annual listing fees, valuation fees, legal fees, registry and depository charges, accounting, audit and tax adviser’s fees, postage, printing and stationery costs, costs associated with the preparation of annual reports, investor communications costs, security agent fees, debt facility agent fees and other miscellaneous expenses.

Finance Costs

Finance costs consist of interest expense and amortisation of transaction costs. Finance costs remained stable across the comparison periods.

Net Income

Dasin Retail Trust’s net income for the six months period ended 30 June 2016 was RMB 25.4 million as compared to RMB 2.5 million as at 30 June 2015. This was due to an increase in gross revenue contributed by Ocean Metro Mall and Dasin E-Colour which commenced operations on 28 December 2014 and May 2015 respectively.

LIQUIDITY AND CAPITAL RESOURCES

The principal sources of funding for the original acquisition or development and any subsequent improvement works at the Properties have historically been from internally generated funds, cash flow from operations and bank borrowings.

As at the Latest Practicable Date, the material unused sources of liquidity comprising cash and cash equivalents and unutilised loan facilities amounted to RMB 30.0 million.

As at 31 December 2013, 31 December 2014 and 31 December 2015, Dasin Retail Trust had cash and cash equivalents of approximately RMB 77.0 million, respectively. The Directors of the Trustee-Manager assumed that cash and cash equivalents of RMB 77.0 million is needed for working capital purposes. Taking into account the expected cash to be generated from Dasin Retail Trust’s operating activities, the Directors of the Trustee-Manager believe, in their reasonable opinion, that the working capital available to Dasin Retail Trust for FY2013, FY2014, FY2015, HY2015 and HY2016, respectively, provided sufficient funds to satisfy Dasin Retail Trust’s working capital requirement for each of the fiscal years and financial periods.
A summary of Dasin Retail Trust’s pro forma cash flow for FY2013, FY2014, FY2015, HY2015 and HY2016 is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 December 2013 (RMB’000)</th>
<th>Year ended 31 December 2014 (RMB’000)</th>
<th>Year ended 31 December 2015 (RMB’000)</th>
<th>Six-Month Period ended 30 June 2015 (RMB’000)</th>
<th>Six-Month Period ended 30 June 2016 (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash generated from operating activities</td>
<td>177,828</td>
<td>40,723</td>
<td>36,679</td>
<td>20,352</td>
<td>52,034</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(1,343,464)</td>
<td>(4,397)</td>
<td>(353)</td>
<td>(2,189)</td>
<td>(11,976)</td>
</tr>
<tr>
<td>Net cash generated from/(used in) financing activities</td>
<td>1,238,856</td>
<td>(36,326)</td>
<td>(36,326)</td>
<td>(18,163)</td>
<td>(40,058)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the year/period</td>
<td>77,000</td>
<td>77,000</td>
<td>77,000</td>
<td>77,000</td>
<td>77,000</td>
</tr>
</tbody>
</table>

**Financial year ended 31 December 2015**

Net cash generated from operating activities

Our net cash generated from operating activities was RMB 36.7 million during the financial year ended 31 December 2015. The unaudited pro forma statement of cash flows has been prepared based on the assumption that a cash reserve of RMB 77.0 million is needed for working capital purposes. Accordingly, the balances of cash and cash equivalents were adjusted to RMB 77.0 million and the amounts exceeding or falling short of the cash reserve were recorded as other receivables or other payables to the Sponsor.

Net cash used in investing activities

Our net cash used in investing activities was RMB 0.35 million during the financial year ended 31 December 2015. This was primarily due to cash outflows arising from the purchase and deposit for plant and equipment of RMB 0.43 million. This was partially offset by a cash inflow arising from the interest received of RMB 0.08 million.

Net cash used in financing activities

Our net cash used in financing activities was RMB 36.3 million during the financial year ended 31 December 2015. This was primarily due to cash outflow arising from the cash payment of the interest expense on interest-bearing borrowings.

**Financial year ended 31 December 2014**

Net cash generated from operating activities

The net cash generated from operating activities was RMB 40.7 million during the financial year ended 31 December 2014. The unaudited pro forma statement of cash flows has been prepared based on the assumption that a cash reserve of RMB 77.0 million is needed for working capital purposes. Accordingly, the balances of cash and cash equivalents were adjusted to RMB 77.0 million and the amounts exceeding or falling short of the cash reserve were recorded as other receivables or other payables to the Sponsor.
Net cash used in investing activities

The net cash used in investing activities was RMB 4.4 million during the financial year ended 31 December 2014. This was primarily due to a cash outflow arising from the cash deposit paid for the acquisition of plant and equipment of RMB 2.2 million, and the purchase of plant and equipment for RMB 2.2 million. The total cash outflow of RMB 4.4 million was mainly used to purchase shuttle buses for one of the Properties, Ocean Metro Mall, prior to the official opening of the mall in December 2014. The cash outflow was partially offset by a cash inflow arising from the interest received of RMB 0.06 million.

Net cash used in financing activities

The net cash used in financing activities was RMB 36.3 million during the financial year ended 31 December 2014. This was due to a cash outflow arising from the cash payment of the interest expense on interest-bearing borrowings.

Financial year ended 31 December 2013

Net cash generated from operating activities

The net cash generated from operating activities was RMB 177.8 million during the financial year ended 31 December 2013. This was mainly contributed by decrease in the amount due from Sponsor Group of RMB 142.0 million. The unaudited pro forma statement of cash flows has been prepared based on the assumption that a cash reserve of RMB 77.0 million is needed for working capital purposes. Accordingly, the balances of cash and cash equivalents were adjusted to RMB 77.0 million and the amounts exceeding or falling short of the cash reserve were recorded as other receivables or other payables to the Sponsor.

One of the non-cash items being adjusted from the profit before income tax was a write off of accounts receivables of RMB 2.4 million, which was a one-off event. As a result of the termination of certain rental arrangements, the effective rental receivables were written-off.

Net cash used in investing activities

The net cash used in investing activities was RMB 1,343.5 million during the financial year ended 31 December 2013. This was primarily due to a cash outflow arising from the payment for the acquisition of Initial Portfolio.

Net cash generated from financing activities

The net cash generated from financing activities was RMB 1,238.9 million during the financial year ended 31 December 2013. This was primarily due to cash inflows arising from the new bank borrowings raised, proceeds from listing, net off issuance costs and proceeds from Units issued to the Unitholders prior to listing. This was partially offset by a cash outflow arising from the repayment of existing bank borrowings.

Six-Month Period ended 30 June 2015

Net cash generated from operating activities

The net cash generated from operating activities was RMB 20.4 million during the six-month period ended 30 June 2015. The unaudited pro forma statement of cash flows has been prepared based on the assumption that a cash reserve of RMB 77.0 million is needed for working capital purposes. Accordingly, the balances of cash and cash equivalents were adjusted to RMB 77.0 million and the amounts exceeding or falling short of the cash reserve were recorded as other receivables or other payables to the Sponsor.
Net cash used in investing activities

The net cash used in investing activities was RMB 2.2 million during the six-month period ended 30 June 2015. This was primarily due to cash outflows arising from the cash deposit paid for the acquisition of plant and equipment of RMB 0.2 million, and the purchase of plant and equipment for RMB 2.0 million. The cash outflows were partially offset by a cash inflow arising from the interest received of RMB 0.02 million.

Net cash used in financing activities

The net cash used in financing activities was RMB 18.2 million during the six-month period ended 30 June 2015. This was due to a cash outflow arising from the cash payment of the interest expense on interest-bearing borrowings.

Six-Month Period ended 30 June 2016

Net cash generated from operating activities

The net cash generated from operating activities was RMB 52.0 million during the six-month period ended 30 June 2016. The unaudited pro forma statement of cash flows has been prepared based on the assumption that a cash reserve of RMB 77.0 million is needed for working capital purposes. Accordingly, the balances of cash and cash equivalents were adjusted to RMB 77.0 million and the amounts exceeding or falling short of the cash reserve were recorded as other receivables or other payables to the Sponsor.

Net cash used in investing activities

The net cash used in investing activities was RMB 12.0 million during the six-month period ended 30 June 2016. This was primarily due to a cash outflow arising from the cash paid for an available for sale investment of RMB 12.0 million. The cash outflow was partially offset by a cash inflow arising from the interest received of RMB 0.04 million.

Net cash used in financing activities

The net cash used in financing activities was RMB 40.1 million during the six-month period ended 30 June 2016. This was due to cash outflows arising from the cash payment of the interest expense on interest-bearing borrowings and dividends of RMB 21.9 million paid to previous shareholder.

INDEBTEDNESS

The unaudited pro forma financial information has been prepared based on the assumption that part of the S$, US$ and RMB denominated Facilities amounting to an equivalent of approximately RMB 1.3 billion shall be drawn down on the Listing Date, and in connection with the drawdown of the Facilities, an upfront fee will also be concurrently paid by Dasin Retail Trust to the lending banks as transaction costs for the disbursement of the Facilities on the Listing Date. The existing borrowings are assumed to be repaid by using the Facilities. The existing interest expenses for the Relevant Period are reversed and replaced by the interest expenses under the Facilities.

ACCOUNTING POLICIES

For a discussion of the principal accounting policies of Dasin Retail Trust, see “Appendix C – Unaudited Pro Forma Financial Information” of this Prospectus.
Statements contained in this section that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section of the Prospectus and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by any of Dasin Retail Trust, the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters or any other person, nor that these results will be achieved or are likely to be achieved. (See “Forward-looking Statements” and “Risk Factors” of this Prospectus for further details.) Investors in the Units are cautioned not to place undue reliance on these forward-looking statements which are made only as of the date of this Prospectus.

None of Dasin Retail Trust, the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager or the Joint Bookrunners and Underwriters guarantees the performance of Dasin Retail Trust, the repayment of capital or the capital growth of the Units. The forecast and projected distribution yields stated in the following table are calculated based on:

- the Offering Price; and
- the assumption that the Listing Date is 1 January 2017.

Such distribution yields will vary accordingly if the Listing Date is not 1 January 2017, or for investors who purchase Units in the secondary market at a market price that differs from the Offering Price.

The following table shows Dasin Retail Trust’s statements of total return for Forecast Year 2017 and Projection Year 2018 (both with and without the completion of the proposed acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company by Dasin Retail Trust on 30 June 2017). The financial year end of Dasin Retail Trust is 31 December. The Profit Forecast and Profit Projection may be different to the extent that the actual date of issuance of Units is other than on 1 January 2017, being the assumed date of the issuance of Units for the Offering. The Profit Forecast and Profit Projection are based on the assumptions set out below and have been examined by the Reporting Accountant, Deloitte & Touche LLP, and should be read together with the report set out in “Appendix A – Reporting Accountant’s Report on the Profit Forecast and Profit Projection” of this Prospectus as well as the assumptions and the sensitivity analysis set out in this section of this Prospectus.

Investors in the Units should read the entirety of this “Profit Forecast and Profit Projection” section together with the report set out in “Appendix A – Reporting Accountant’s Report on the Profit Forecast and Profit Projection” of this Prospectus as well as the assumptions and the sensitivity analysis set out in this section of this Prospectus.
Forecast and Projected Statements of Total Return for Dasin Retail Trust

The forecast and projected statements of total return for Dasin Retail Trust are as follows:

<table>
<thead>
<tr>
<th>Period</th>
<th>Initial Portfolio</th>
<th>Initial Portfolio and Shiqi Metro Mall</th>
<th>Projection Year 2018</th>
<th>Initial Portfolio</th>
<th>Initial Portfolio and Shiqi Metro Mall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
</tr>
<tr>
<td><strong>Gross revenue (1)</strong></td>
<td>184,318</td>
<td>243,527</td>
<td>215,751</td>
<td>341,219</td>
<td></td>
</tr>
<tr>
<td><strong>Property operating expenses</strong></td>
<td>(33,731)</td>
<td>(43,338)</td>
<td>(39,045)</td>
<td>(59,182)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Property Income</strong></td>
<td>150,587</td>
<td>200,189</td>
<td>176,706</td>
<td>282,037</td>
<td></td>
</tr>
<tr>
<td><strong>Trustee-Manager’s fees</strong></td>
<td>(13,183)</td>
<td>(17,335)</td>
<td>(13,183)</td>
<td>(21,420)</td>
<td></td>
</tr>
<tr>
<td><strong>Other expenses</strong></td>
<td>(4,831)</td>
<td>(9,430)</td>
<td>(5,027)</td>
<td>(5,705)</td>
<td></td>
</tr>
<tr>
<td><strong>Finance costs (net)</strong></td>
<td>(61,480)</td>
<td>(102,789)</td>
<td>(65,501)</td>
<td>(132,825)</td>
<td></td>
</tr>
<tr>
<td><strong>Net income/total return for the year before income tax</strong></td>
<td>71,093</td>
<td>70,635</td>
<td>92,995</td>
<td>122,087</td>
<td></td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>(24,142)</td>
<td>(35,172)</td>
<td>(25,893)</td>
<td>(49,097)</td>
<td></td>
</tr>
<tr>
<td><strong>Total return for the year</strong></td>
<td>46,951</td>
<td>35,463</td>
<td>67,102</td>
<td>72,990</td>
<td></td>
</tr>
<tr>
<td><strong>Distribution adjustments (2)</strong></td>
<td>20,547</td>
<td>46,737</td>
<td>16,440</td>
<td>30,134</td>
<td></td>
</tr>
<tr>
<td><strong>Income available for distribution to Unitholders</strong></td>
<td>67,498</td>
<td>82,200</td>
<td>83,542</td>
<td>103,124</td>
<td></td>
</tr>
<tr>
<td><strong>Without Distribution Waiver (3)</strong></td>
<td>44,921</td>
<td>54,673</td>
<td>55,269</td>
<td>68,032</td>
<td></td>
</tr>
<tr>
<td>Distribution to Aqua Wealth and Bounty Way</td>
<td>44,921</td>
<td>54,673</td>
<td>55,269</td>
<td>68,032</td>
<td></td>
</tr>
<tr>
<td>Distribution to other Unitholders</td>
<td>22,577</td>
<td>27,527</td>
<td>28,273</td>
<td>35,092</td>
<td></td>
</tr>
<tr>
<td><strong>With Distribution Waiver (3)</strong></td>
<td>17,463</td>
<td>21,239</td>
<td>29,576</td>
<td>36,314</td>
<td></td>
</tr>
<tr>
<td>Distribution to Non-Lock-up Distribution Units of Aqua Wealth and Bounty Way (inclusive of the waived distribution)</td>
<td>17,463</td>
<td>21,239</td>
<td>29,576</td>
<td>36,314</td>
<td></td>
</tr>
<tr>
<td>Distribution to other Unitholders (inclusive of the waived distribution)</td>
<td>50,035</td>
<td>60,961</td>
<td>53,966</td>
<td>66,810</td>
<td></td>
</tr>
<tr>
<td>Weighted average number of Units in issue (‘000)</td>
<td>529,806</td>
<td>551,160</td>
<td>532,964</td>
<td>555,676</td>
<td></td>
</tr>
<tr>
<td>Weighted average number of Units in issue held by other Unitholders (‘000) (3)</td>
<td>177,213</td>
<td>184,572</td>
<td>180,372</td>
<td>189,088</td>
<td></td>
</tr>
<tr>
<td>Distribution rate</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>Distribution per Unit (with Distribution Waiver) (S$) (4)</td>
<td>0.0581</td>
<td>0.0680</td>
<td>0.0610</td>
<td>0.0720</td>
<td></td>
</tr>
<tr>
<td>Distribution per Unit (without Distribution Waiver) (S$) (4)</td>
<td>0.0262</td>
<td>0.0307</td>
<td>0.0319</td>
<td>0.0378</td>
<td></td>
</tr>
<tr>
<td>Offering Price (S$/Unit)</td>
<td>0.80</td>
<td>0.80</td>
<td>0.80</td>
<td>0.80</td>
<td></td>
</tr>
<tr>
<td>Distribution yield (with Distribution Waiver) (%)</td>
<td>7.3</td>
<td>8.5</td>
<td>7.6</td>
<td>9.0</td>
<td></td>
</tr>
<tr>
<td>Distribution yield (without Distribution Waiver) (%)</td>
<td>3.3</td>
<td>3.8</td>
<td>4.0</td>
<td>4.7</td>
<td></td>
</tr>
</tbody>
</table>
Notes:

(1) Gross revenue is projected based on contractual terms, which represents actual cash flow, and has not been projected on a straight-line basis over the term of the lease.

(2) Distribution adjustments include the Trustee-Manager’s fees that are payable in the form of Units, amortisation of debt issuance costs, allocation to statutory surplus reserve, cash allocated for interest and principal repayments in accordance with the terms of the Facilities and VAT tax credit arising from the re-organisation steps relating to Shiqi Metro Mall.

(3) Assuming the Over-Allotment Option is not exercised.

(4) Assuming a Listing Date of 1 January 2017.

ASSUMPTIONS

The Trustee-Manager has prepared the Profit Forecast and Profit Projection based on the following assumptions. The Trustee-Manager considers these assumptions to be appropriate and reasonable as at the date of this Prospectus. However, investors should consider these assumptions as well as the Profit Forecast and Profit Projection and make their own assessment of the future performance of Dasin Retail Trust.

Gross Revenue and Net Property Income Contribution of Each Property

The forecast and projected contributions of the Initial Portfolio and Shiqi Metro Mall (for Forecast Year 2017 and Projection Year 2018) to Gross Revenue are as follows, both (i) assuming that the Shiqi Metro Mall acquisition had not been completed in Forecast Year 2017 and Projection Year 2018, and (ii) assuming that the acquisition of Shiqi Metro Mall is completed by 30 June 2017:

<table>
<thead>
<tr>
<th>Contribution to Gross Revenue</th>
<th>Forecast Year 2017 (12 Months)</th>
<th>Projection Year 2018 (12 Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB’000 (%)</td>
<td>RMB’000 (%)</td>
</tr>
<tr>
<td></td>
<td>Initial Portfolio</td>
<td>Initial Portfolio and Shiqi Metro Mall</td>
</tr>
<tr>
<td>Xiaolan Metro Mall</td>
<td>108,898 59.1 44.7</td>
<td>125,179 58.0 36.7</td>
</tr>
<tr>
<td>Ocean Metro Mall</td>
<td>61,321 33.3 25.2</td>
<td>74,222 34.4 21.8</td>
</tr>
<tr>
<td>Dasin E-Colour</td>
<td>14,098 7.6 5.8</td>
<td>16,349 7.6 4.7</td>
</tr>
<tr>
<td>Gross Revenue of the Initial Portfolio</td>
<td>184,317 100.0 75.7</td>
<td>215,750 100.0 63.2</td>
</tr>
<tr>
<td>Shiqi Metro Mall</td>
<td>59,210 24.3 125,469 36.8</td>
<td></td>
</tr>
<tr>
<td>Gross Revenue of the Initial Portfolio and Shiqi Metro Mall</td>
<td>243,527 100.0</td>
<td>341,219 100.0</td>
</tr>
</tbody>
</table>
The forecast and projected contributions of the Initial Portfolio and Shiqi Metro Mall (for Forecast Year 2017 and Projection Year 2018) to Net Property Income are as follows, both (i) assuming that the Shiqi Metro Mall acquisition had not been completed in Forecast Year 2017 and Projection Year 2018, and (ii) assuming that the acquisition of Shiqi Metro Mall is completed by 30 June 2017:

<table>
<thead>
<tr>
<th>Contribution to Net Property Income</th>
<th>Forecast Year 2017 (12 Months)</th>
<th>Projection Year 2018 (12 Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB’000 (%)</td>
<td>RMB’000 (%)</td>
</tr>
<tr>
<td></td>
<td>Initial Portfolio</td>
<td>Initial Portfolio and Shiqi Metro Mall</td>
</tr>
<tr>
<td>Xiaolan Metro Mall</td>
<td>91,895  61.0</td>
<td>45.9  106,153  60.1</td>
</tr>
<tr>
<td>Ocean Metro Mall</td>
<td>47,042  31.3</td>
<td>23.5  56,937  32.2</td>
</tr>
<tr>
<td>Dasin E-Colour</td>
<td>11,650  7.7</td>
<td>5.8  13,615  7.7</td>
</tr>
</tbody>
</table>

**Net Property Income of the Initial Portfolio**

|                                    | 150,587  100.0 | 75.2  176,705  100.0 | 62.7 |

**Net Property Income of the Initial Portfolio and Shiqi Metro Mall**

|                                    | 200,189  100.0 | 282,037  100.0 |

**Gross Revenue**

Gross Revenue comprises:

- Gross Rental Income; and
- other income from the Initial Portfolio and Shiqi Metro Mall (for Forecast Year 2017 and Projection Year 2018).

**Gross Rental Income**

Gross Rental Income for each tenant consists of:

- Fixed Rent; or
- Turnover Rent; or
- the higher of the Base Rent or Turnover Rent.

Tenancies may be charged based on the fixed rent method, the turnover rent method, or the higher of the base rent or turnover rent method. (See “Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting Dasin Retail Trust's Results of Operations” of this Prospectus for details on the different methods of computation.)
The Trustee-Manager has assumed the following in arriving at the forecast Fixed Rent and Base Rent for the tenancies of the Initial Portfolio and Shiqi Metro Mall for Forecast Year 2017 and Projection Year 2018:

- Rent payable under committed tenancies is assumed to remain status quo and will not be terminated in Forecast Year 2017 and Projection Year 2018.

- The percentage of the total projected Gross Rental Income in each year that is attributable to Gross Rental Income (before factoring in any potential additional Turnover Rent should tenants’ sales turnover be higher) from leases that were committed as at 30 June 2016 is shown in the following table:

<table>
<thead>
<tr>
<th>Gross Rental Income attributable to Committed Leases (as a percentage of the total projected Gross Rental Income in each year)</th>
<th>Forecast Year 2017</th>
<th>Projection Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xiaolan Metro Mall</td>
<td>59.8%</td>
<td>42.2%</td>
</tr>
<tr>
<td>Ocean Metro Mall</td>
<td>65.4%</td>
<td>42.3%</td>
</tr>
<tr>
<td>Dasin E-Colour</td>
<td>82.2%</td>
<td>65.3%</td>
</tr>
<tr>
<td>Shiqi Metro Mall</td>
<td>67.8%</td>
<td>44.5%</td>
</tr>
<tr>
<td>Initial Portfolio</td>
<td>63.4%</td>
<td>44.0%</td>
</tr>
<tr>
<td>Initial Portfolio and Shiqi Metro Mall</td>
<td>65.2%</td>
<td>44.2%</td>
</tr>
</tbody>
</table>

- Expiring leases in Forecast Year 2017 and Projection Year 2018 are assumed to be renewed or re-contracted based upon:

- Forecast market rent for Forecast Year 2017 and Projection Year 2018 are established based on growth assumptions which reflect the Trustee-Manager’s analysis of market supply and demand conditions, competitive landscape and other factors such as expected changes in demographics in the catchment area and planned public transportation development works that would impact the demand for the Initial Portfolio and Shiqi Metro Mall (for Forecast Year 2017 and Projection Year 2018). The Trustee-Manager has also considered the rental growth rate in the Independent Market Research Report, the estimated rate of inflation in each city where the Initial Portfolio and Shiqi Metro Mall are located, the outlook for the general economy, including projected GDP growth rates, urbanisation rates and the outlook for retail sales. The forecast market rent is assumed to increase by a projected growth rate of 5.0% per annum.

- The Trustee-Manager has also considered the agreed rental step ups under the committed tenancies as at 30 June 2016. Most of the non-anchor tenant leases contain a rental escalation clause that provides for an annual adjustment, which is typically between 3.0% and 10.0%.
**Lease renewals, vacancy allowance and occupancy rates**

(A) Xiaolan Metro Mall

For Forecast Year 2017 and Projection Year 2018, the Trustee-Manager has assumed an occupancy rate of 100.0%. The Trustee-Manager has assumed that it will not experience any vacancy period. This assumption is based on the existing occupancy rate of 100.0% and the experience of the management of the Trustee-Manager in managing and negotiating the lease renewal of the property. Three months to a year before the expiry of a lease, the Trustee-Manager will negotiate with the existing tenant or secure a new tenant to replace the existing tenant if lease renewal is not successful.

(B) Ocean Metro Mall

For Forecast Year 2017 and Projection Year 2018, the Trustee-Manager has assumed an occupancy rate of 100.0%, based on the leases to be signed and expected occupancy rate due to the property’s excellent accessibility. The Trustee-Manager has assumed that there are no additional vacancies arising from expiring leases during Forecast Year 2017 and Projection Year 2018. Three months to a year before the expiry of a lease, the Trustee-Manager will negotiate with the existing tenant or secure a new tenant to replace the existing tenant if lease renewal is not successful. Considering the stage and state of development of the catchment area surrounding Ocean Metro Mall which may increase business activities and residential communities, it is assumed that Fixed Rent and Base Rent will increase between 30.0% and 50.0% for new leases.

(C) Dasin E-Colour

For Forecast Year 2017 and Projection Year 2018, the Trustee-Manager has assumed an occupancy rate of 100.0%, based on the leases to be signed and expected occupancy rate due to the property’s excellent accessibility.

The Trustee-Manager has assumed that there are no additional vacancies arising from expiring leases during Forecast Year 2017 and Projection Year 2018. Three months to a year before the expiry of a lease, the Trustee-Manager will negotiate with the existing tenant or secure a new tenant to replace the existing tenant if lease renewal is not successful. It is also assumed that Fixed Rent and Base Rent will increase between 30.0% and 50.0% for new leases.

(D) Shiqi Metro Mall

For Forecast Year 2017 and Projection Year 2018, the Trustee-Manager has assumed an occupancy rate of 100.0%, and leases expiring in 2017 and 2018 will be renewed and will not experience any vacancy period. This assumption is based on the existing occupancy of 100.0% and the experience of the management of the Trustee-Manager in managing and negotiating the lease renewal of the property. Three months to a year before the expiry of a lease, the Trustee-Manager will negotiate with the existing tenant or secure a new tenant to replace the existing tenant if lease renewal is not successful.

**Turnover Rent**

Certain tenants have provisions in their leases for the payment of the Turnover Rent, or the higher of the Base Rent or Turnover Rent. In order to forecast Turnover Rent for the Initial Portfolio and Shiqi Metro Mall (for Forecast Year 2017 and Projection Year 2018), the historical turnover rent figures for each tenant of Xiaolan Metro Mall and Shiqi Metro Mall have been reviewed and are assumed to increase by a projected growth rate of 5.0% per annum. In the case of Ocean Metro
Turnover Rent is assumed to increase by 35.0% per annum. This is made based on an estimate of the tenant’s turnover provided by the tenant, the turnover of other branches of the same tenant in other malls in the region, turnover rent of similar retailers, the tenant’s competitors and other factors such as the outlook for retail sales. Turnover Rent was not taken into account for Dasin E-Colour as the leases in Dasin E-Colour where Turnover Rent was collected is not significant.

**Other Income**

Other income comprises booth revenue, car park revenue, advertising revenue, atrium leasing revenue, tenant promotional fee and other income attributable to the operation of the Initial Portfolio and Shiqi Metro Mall. The projection of other income in Forecast Year 2017 and Projection Year 2018 are based on historical income, additional facilities (for example, advertising panels) and the Trustee-Manager’s plans for the Initial Portfolio and Shiqi Metro Mall. As Xiaolan Metro Mall and Shiqi Metro Mall are matured malls, other income is assumed to increase by 5.0% per annum. Ocean Metro Mall and Dasin E-Colour are new malls with high growth potential and considering the historical increase in other income experienced by the matured malls in their earlier years of operations, other income is assumed to increase by 15.0% per annum.

**Breakdown of other income by property, assuming that the acquisition of Shiqi Metro Mall is completed by 30 June 2017**

<table>
<thead>
<tr>
<th></th>
<th>Forecast Year 2017</th>
<th>Projection Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shiqi Metro Mall</td>
<td>25</td>
<td>33</td>
</tr>
<tr>
<td>Dasin E-Colour</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ocean Metro Mall</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Xiaolan Metro Mall</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Property Operating Expenses**

Property operating expenses consist of (i) property-related taxes, (ii) local taxes and surcharges, (iii) Property and Commercial Management Fees, and (iv) other property operating expenses (such as marketing expenses, utilities and other operating expenses). A summary of the assumptions that have been used in calculating property operating expenses is set out below.
(i) Property-related Taxes

Property-related taxes consist of real estate tax, land use tax, and stamp duty. The Trustee-Manager has assumed that real estate taxes will remain at 12.0% on the rental income received by the PRC Property Companies. (See “Taxation – PRC Taxation” of this Prospectus for further details on the taxes.)

(ii) Local Taxes and Surcharges

The Trustee-Manager has assumed that, local taxes and surcharges will remain at 12.0% of net VAT payable (for Zhongshan Yuanxin, Yicai Xinduhui, Xingteng Commercial, Shiqi PRC Property Company and Shiqi Rental Management Company) and 10.0% of net VAT payable (for Xiaolan Xinduhui and Xinrui Commercial).

(iii) Property and Commercial Management Fee

The Property Manager and Commercial Manager are entitled to the Property and Commercial Management Fee of 2.0% of the monthly Gross Revenue, comprising 1.0% of the monthly Gross Revenue paid to the Property Manager and 1.0% of the monthly Gross Revenue paid to the Commercial Manager. The Property and Commercial Management Fee is fixed at 2.0% of Gross Revenue.

The Property and Commercial Management Fees amount to approximately 2.0% of Gross Revenue for Forecast Year 2017 and Projection Year 2018 respectively.

(iv) Other Property Operating Expenses

Other property operating expenses comprise reimbursable staff costs, marketing expenses, utilities and property maintenance expenses, statutory and professional fees, as well as other miscellaneous expenses in relation to the Initial Portfolio and Shiqi Metro Mall (for Forecast Year 2017 and Projection Year 2018). Marketing expenses relate to the costs incurred in marketing, advertising and promoting the Initial Portfolio and Shiqi Metro Mall (for Forecast Year 2017 and Projection Year 2018). Excluding non-recurring one-off expenses, these expenses are estimated at 10.0% of Gross Revenue after taking into consideration the actual historical operating and maintenance costs, and expected inflation rate.

Statutory Surplus Reserve, Reserve Fund and Bonus and Welfare Fund

According to Article 166 of the Company Law of PRC, a 10.0% appropriation to the statutory surplus reserve (法定公积金) (the “Statutory Surplus Reserve”) based on the annual profits of the company after paying income tax, is required until the balance reaches 50.0% of the registered capital of the company, above which further appropriations are not required by the regulations. Article 217 of the Company Law of PRC also provides that this law shall apply to foreign-invested limited companies or foreign-invested companies limited by shares. However, where PRC laws relating to foreign investments have other stipulations, such PRC laws relating to foreign investments shall prevail.

As to the compulsory percentage allocation requirement, according to Article 56 of the Rules for the Implementation of the Law of the People’s Republic of China on Wholly-Foreign-funded Enterprises, WFOEs shall make allocations to a reserve fund (储备基金) (the “Reserve Fund”) and a bonus and welfare fund for staff and workers (职工奖励及福利基金) (the “Bonus and Welfare Fund”), from their profits after paying income tax in accordance with China’s tax laws. The allocations to the Reserve Fund may not be lower than 10.0% of the after-tax profits of the WFOE; and once the cumulative amount of allocations equals 50.0% of the registered capital of the WFOE, no further allocations need to be made.
According to JunZeJun Law Offices, in practice, a WFOE is permitted, by its Articles of Association, to apply 10.0% of the annual after-tax profits of the company in the appropriation to its Statutory Surplus Reserve as stipulated in the Company Law of PRC or in the allocation of Reserve Fund as stipulated in the Rules for the Implementation of the Law of PRC on Wholly-Foreign-funded Enterprises; and in both cases there is no need for further appropriation or allocation where the cumulative amount equals to 50.0% of the registered capital of the company. As for the allocation to the Bonus and Welfare Fund as stipulated in the Rules for the Implementation of the Law of PRC on Wholly-Foreign-funded Enterprises, there is no compulsory percentage requirement in the law and the WFOE is entitled to determine such percentage.

There is no stipulation on how to use the Reserve Fund or the Bonus and Welfare Fund in the Rules for the Implementation of the Law of the People’s Republic of China on Wholly-Foreign-funded Enterprises. According to Article 168 of the Company Law of PRC, the Statutory Surplus Reserve is restricted in use and can be used to make good previous years’ losses, expand the company’s production and operation, increase the capital of the company, if any, or may be converted into share capital by the issuance of new shares to stockholders in proportion to their existing shareholdings, or by increasing the par value of the shares currently held by them, provided that the reserve balance after such issue is not less than 25.0% of the authorised share capital of the company. The Statutory Surplus Reserve is not distributable in the form of cash dividends.

**Capital Expenditure**

Capital expenditure is expected to be capitalised as part of the Trust Property. The Trustee-Manager has forecasted no major capital expenditure requirements for Forecast Year 2017 and Projection Year 2018.

**Trustee-Manager’s Fees**

**Base Fee**

Under the Trust Deed, the Trustee-Manager is entitled, with effect from the Listing Date, to receive for its own account, out of the Trust Property, a Base Fee, being a fee equal to:

(i) the rate of 0.25% per annum of the value of the Trust Property, if the value of the Trust Property is less than or equal to S$10.0 billion; or

(ii) the rate of 0.25% per annum of the value of the Trust Property up to S$10.0 billion plus the rate of 0.20% per annum of the value of the Trust Property which exceeds S$10.0 billion, if the value of the Trust Property is greater than S$10.0 billion.

For the purposes of calculating the Base Fee only, the value of the Trust Property shall not include the value of the investments in vacant land and uncompleted property\(^1\) developments by Dasin Retail Trust. For the avoidance of doubt, the land costs of such uncompleted property development will not be included in the computation of value of the Trust Property for the purposes of calculating the Base Fee.

The Base Fee shall accrue on each day of each calendar quarter, or such other period as may be determined by the Trustee-Manager at its discretion, in respect of the period up to and including the last day of that calendar quarter, or such other period as may be determined by the Trustee-Manager at its discretion.

\(^1\) An “uncompleted property” is one that has not been granted a temporary occupation permit or equivalent by the relevant authorities.
Performance Fee

The Trustee-Manager is also entitled, with effect from Projection Year 2018, to receive for its own account, out of the Trust Property, a Performance Fee, being a fee equal to the rate of 25.0% of the difference in DPU in a financial year with the DPU in the preceding full financial year (calculated before accounting for the Performance Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

Management Fee – Base Fee and Performance Fee

The Trustee-Manager’s Management Fee, comprising the Base Fee and Performance Fee, are payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect).

Where the Trustee-Manager proposes to receive its Management Fee (or any part or component thereof) in the form of Units, such Units shall be issued at the prevailing market price at the time of issuance of such Units as determined in accordance with the provisions of the Trust Deed.

In the event that payment of the Management Fee is to be made in the form of Units and Unitholders’ prior approval is required but is not obtained at the Unitholders’ meeting to permit such issuance of Units to the Trustee-Manager, then the payment to the Trustee-Manager shall be made in the form of cash.

Where the Base Fee and/or the Performance Fee are payable in the form of Units, such payment shall be made within 30 calendar days of the last day of every calendar quarter (in relation to the Base Fee) and every Financial Year (in relation to the Performance Fee) (or such longer period as the Trustee-Manager may determine in the event that the Base Fee and/or Performance Fee cannot be computed within 30 calendar days of the last day of the relevant period), in arrears.

It has been assumed that 100.0% of the Management Fee Forecast Year 2017 and Projection Year 2018 will be paid in the form of Units. It is also assumed that these Units will be issued at the Offering Price.

Trustee Fee

The Trustee-Manager is also entitled, with effect from the Listing Date, to receive for its own account, out of the Trust Property, a Trustee Fee calculated at a rate not exceeding 0.02% per annum of the value of the Trust Property, in accordance with the provisions of the Trust Deed (and if the Dasin Retail Trust holds only a partial interest in any of the Trust Property, such Trust Property shall be pro-rated in proportion to the partial interest held for the purpose of calculating the Trustee Fee).

The Trustee Fee shall accrue on each day of each calendar quarter (or such other period as may be determined by the Trustee-Manager at its discretion) in respect of the period up to and including the last day of that calendar quarter (or such other period as may be determined by the Trustee-Manager at its discretion). Every payment of the Trustee Fee (or any part thereof) shall be made to the Trustee-Manager out of the Trust Property within 30 calendar days of the last day of every calendar quarter (or such other period as may be determined by the Trustee-Manager at its discretion) in arrears, in the form of cash and/or Units (as the Trustee-Manager may elect).

It has been assumed that 100.0% of the Trustee Fee for Forecast Year 2017 and Projection Year 2018 will be paid in the form of Units. It is also assumed that these Units will be issued at the Offering Price.
Other Expenses

Other expenses of Dasin Retail Trust include recurring trust expenses such as audit fees, registry and depository charges, costs associated with the preparation of annual reports and annual general meetings, investor communications costs, valuation fees, internal audit and compliance fees, annual listing fees, postage, printing and stationery costs, and other miscellaneous expenses.

Finance Costs (net)

Finance costs (net) consist of interest income, interest expense and amortisation of debt issuance costs. The Trustee-Manager has assumed that Dasin Retail Trust will put in place the Facilities equivalent to approximately RMB 2.5 billion and draw down part of the Facilities equivalent to approximately RMB 1.3 billion as at 1 January 2017 for the acquisition of the Initial Portfolio, and an additional loan equivalent to approximately RMB 1.2 billion as at the Target Shiqi Acquisition Date for the acquisition of Shiqi Metro Mall. It is estimated that the Onshore Facility has an average ongoing rate of approximately 5.4% per annum, and the Offshore Facilities have an average effective rate of approximately 4.8% per annum in 2017 and approximately 5.1% per annum in 2018, which are inclusive of the upfront debt issuance costs.

Income Tax

The Trustee-Manager has made the following assumptions in preparing the Profit Forecast and Profit Projection:

- that the PRC Property Companies and Rental Management Companies will be subject to CIT at 25.0% on their respective taxable profits generated from the leasing of properties, sales of properties and other business operations;
- that the Singapore Holding Companies will be recognised by the PRC tax authorities as the beneficial owner of the dividends from the PRC Property Companies and the Rental Management Companies and hence the WHT rate of 10.0% (within twelve months from the Listing Date) and the reduced PRC WHT rate of 5.0% (after twelve months from the Listing Date) applies to the dividends received from these companies;
- that the dividends received in Singapore directly from PRC by the Singapore Holding Companies from the PRC Property Companies and Rental Management Companies will be exempt from Singapore income tax;
- that the dividends from the Singapore Holding Companies and Singapore Holdco will be exempt from Singapore income tax in the hands of Singapore Holdco and Dasin Retail Trust respectively;
• that Singapore income tax is assessed on Dasin Retail Trust at the prevailing corporate tax rate, currently 17.0%;

• that the distributions made by Dasin Retail Trust are exempt from Singapore income tax in the hands of all Unitholders; and

• that there will be no change in the applicable tax legislation or other applicable legislation for Forecast Year 2017 and Projection Year 2018.

Foreign Exchange Rates

The Trustee-Manager has assumed the following exchange rates for the Profit Forecast and Profit Projection:

<table>
<thead>
<tr>
<th>Foreign Exchange Rates</th>
<th>Forecast Year 2017</th>
<th>Projection Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB per S$</td>
<td>4.857</td>
<td>4.907</td>
</tr>
<tr>
<td>US$ per S$</td>
<td>0.698</td>
<td>0.699</td>
</tr>
</tbody>
</table>

Accounting Standards

The Trustee-Manager has assumed that there are no changes in the applicable accounting standards or other financial reporting requirements that may have a material effect on the Profit Forecast and Profit Projection.

Significant accounting policies adopted by the Trustee-Manager in the preparation of the Profit Forecast and Profit Projection are set out in “Appendix C – Unaudited Pro Forma Financial Information” of this Prospectus.

Other Assumptions

The Trustee-Manager has made the following additional assumptions in preparing the Profit Forecast and Profit Projection:

• that the Initial Portfolio and Shiqi Metro Mall remains unchanged for Forecast Year 2017 and Projection Year 2018;

• that no further capital will be raised during Forecast Year 2017 and Projection Year 2018;

• that all leases and licences as at 30 June 2016 are enforceable and will be performed in accordance with their terms during Forecast Year 2017 and Projection Year 2018;

• that there will be no early termination of any committed leases;

• that 100.0% of Dasin Retail Trust's Distributable Income is distributed for Forecast Year 2017 and Projection Year 2018; and

• that there will be no change in the property valuation of the Initial Portfolio and Shiqi Metro Mall.
SENSITIVITY ANALYSIS

The forecast and projected distributions included in this Prospectus are based on a number of assumptions that have been outlined above. The forecast and projected distributions are also subject to a number of risks as set out in “Risk Factors” of this Prospectus. Investors should be aware that future events cannot be predicted with any certainty, and deviations from the figures forecast or projected in this Prospectus are to be expected. To assist investors in assessing the impact of these assumptions on the Profit Forecast and Profit Projection, a series of tables demonstrating the sensitivity of the distribution yield to changes in the principal assumptions are set out below. The sensitivity analyses are intended only as a guide. Variations in actual performance could exceed the ranges shown. Movements in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

**Gross Revenue**

Changes in the Gross Revenue will impact the Net Property Income of Dasin Retail Trust and consequently, the DPU. The assumptions for Gross Revenue have been set out earlier in this section. The effect of variations in the Gross Revenue on the distribution yield is set out below:

**With Distribution Waiver:**

<table>
<thead>
<tr>
<th></th>
<th>Basis on the Offering Price</th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Forecast Year 2017</td>
<td>Projection Year 2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Initial Portfolio</td>
<td>Initial Portfolio and Shiqi Metro Mall</td>
<td>Initial Portfolio</td>
<td>Initial Portfolio and Shiqi Metro Mall</td>
</tr>
<tr>
<td>5.0% above base case</td>
<td>7.9</td>
<td>9.3</td>
<td>8.3</td>
<td>10.0</td>
</tr>
<tr>
<td><strong>Base case</strong></td>
<td>7.3</td>
<td>8.5</td>
<td>7.6</td>
<td>9.0</td>
</tr>
<tr>
<td>5.0% below base case</td>
<td>6.6</td>
<td>7.7</td>
<td>7.0</td>
<td>8.0</td>
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</tbody>
</table>

**Without Distribution Waiver:**

<table>
<thead>
<tr>
<th></th>
<th>Basis on the Offering Price</th>
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<tbody>
<tr>
<td></td>
<td>Forecast Year 2017</td>
<td>Projection Year 2018</td>
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<tr>
<td></td>
<td>Initial Portfolio</td>
<td>Initial Portfolio and Shiqi Metro Mall</td>
<td>Initial Portfolio</td>
<td>Initial Portfolio and Shiqi Metro Mall</td>
</tr>
<tr>
<td>5.0% above base case</td>
<td>3.6</td>
<td>4.2</td>
<td>4.3</td>
<td>5.2</td>
</tr>
<tr>
<td><strong>Base case</strong></td>
<td>3.3</td>
<td>3.8</td>
<td>4.0</td>
<td>4.7</td>
</tr>
<tr>
<td>5.0% below base case</td>
<td>3.0</td>
<td>3.5</td>
<td>3.7</td>
<td>4.2</td>
</tr>
</tbody>
</table>

**Other Property Operating Expenses**

Changes in other property operating expenses will impact the Net Property Income of Dasin Retail Trust and consequently, the DPU. The assumptions for other property operating expenses have been set out earlier in this section. For the purpose of this sensitivity analysis, Property and Commercial Management fees, and taxes, such as real estate tax and local taxes and surcharges, have not been included, because these expenses are more of a function of revenue, the Property
Management Agreements, Commercial Management Agreements and the prevailing tax laws, and hence should be analysed separately. The effect of variations in other property operating expenses on the distribution yield is set out below:

**With Distribution Waiver:**

<table>
<thead>
<tr>
<th></th>
<th>Distribution yield pursuant to changes in Other Property Operating Expenses (%)</th>
<th></th>
<th></th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Forecast Year 2017</td>
<td>Projection Year 2018</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Initial Portfolio</td>
<td>Initial Portfolio and Shiqi Metro Mall</td>
<td>Initial Portfolio</td>
</tr>
<tr>
<td>5.0% above base case</td>
<td>7.2</td>
<td>8.4</td>
<td>7.5</td>
<td>8.9</td>
</tr>
<tr>
<td><strong>Base case</strong></td>
<td>7.3</td>
<td>8.5</td>
<td>7.6</td>
<td>9.0</td>
</tr>
<tr>
<td>5.0% below base case</td>
<td>7.3</td>
<td>8.6</td>
<td>7.7</td>
<td>9.1</td>
</tr>
</tbody>
</table>

**Without Distribution Waiver:**

<table>
<thead>
<tr>
<th></th>
<th>Distribution yield pursuant to changes in Other Property Operating Expenses (%)</th>
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<th></th>
<th></th>
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<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>5.0% above base case</td>
<td>3.2</td>
<td>3.8</td>
<td>4.0</td>
<td>4.7</td>
</tr>
<tr>
<td><strong>Base case</strong></td>
<td>3.3</td>
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<td>4.0</td>
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</tr>
<tr>
<td>5.0% below base case</td>
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<td>3.9</td>
<td>4.0</td>
<td>4.8</td>
</tr>
</tbody>
</table>

**Finance Costs**

Changes in finance costs affect the distributable income of Dasin Retail Trust and consequently, the DPU. The effect of variations in the finance costs on the distribution yield is set out below:

**With Distribution Waiver:**

<table>
<thead>
<tr>
<th></th>
<th>Distribution yield pursuant to changes in Finance Costs (%)</th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Forecast Year 2017</td>
<td>Projection Year 2018</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Initial Portfolio</td>
<td>Initial Portfolio and Shiqi Metro Mall</td>
<td>Initial Portfolio</td>
</tr>
<tr>
<td>25 basis points increase in the applicable finance cost</td>
<td>6.9</td>
<td>8.0</td>
<td>7.2</td>
<td>8.2</td>
</tr>
<tr>
<td><strong>Base case</strong></td>
<td>7.3</td>
<td>8.5</td>
<td>7.6</td>
<td>9.0</td>
</tr>
<tr>
<td>25 basis points decrease in the applicable finance cost</td>
<td>7.6</td>
<td>9.0</td>
<td>8.0</td>
<td>9.8</td>
</tr>
</tbody>
</table>
**Without Distribution Waiver:**

<table>
<thead>
<tr>
<th>25 basis points increase in the applicable finance cost</th>
<th>Distribution yield pursuant to changes in Finance Costs (%)</th>
<th>Based on the Offering Price</th>
</tr>
</thead>
<tbody>
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<td></td>
<td>Forecast Year 2017</td>
<td>Projection Year 2018</td>
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<td>Initial Portfolio and Shiqi Metro Mall</td>
</tr>
<tr>
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<tr>
<td><strong>Base case</strong></td>
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<td>3.8</td>
</tr>
<tr>
<td>25 basis points decrease in the applicable finance cost</td>
<td>3.4</td>
<td>4.1</td>
</tr>
<tr>
<td></td>
<td>4.2</td>
<td>5.1</td>
</tr>
</tbody>
</table>

**Foreign Exchange Rates**

Changes in the foreign exchange rate for RMB and US$ to S$ will impact the Distributable Income of Dasin Retail Trust and consequently, the distribution yield, as the distributions are paid in S$. The assumptions for foreign exchange rates have been set out above in “Profit Forecast and Profit Projection – Assumptions – Foreign Exchange Rates”. The effect of variations in foreign exchange rates on the distribution yield is set out below:

**With Distribution Waiver:**

<table>
<thead>
<tr>
<th>5.0% S$ appreciation</th>
<th>Distribution yield pursuant to changes in Foreign Exchange Rates (%)</th>
<th>Based on the Offering Price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td><strong>Base case</strong></td>
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<td>7.7</td>
<td>9.0</td>
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<td>9.0</td>
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</tr>
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<td>4.3</td>
</tr>
<tr>
<td></td>
<td>5.1</td>
<td>5.1</td>
</tr>
</tbody>
</table>
INVESTMENT STRATEGY

Dasin Retail Trust is a business trust that is registered under the BTA and will be listed on the Main Board of the SGX-ST. Dasin Retail Trust's principal investment mandate 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.

In accordance with the requirements of the Listing Manual, the Trustee-Manager’s investment strategy for Dasin Retail Trust will be adhered to for at least three years following the Listing Date, unless otherwise agreed by an Extraordinary Resolution passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

KEY OBJECTIVES

The Trustee-Manager’s key financial objectives are to provide Unitholders with an attractive rate of return on their investment through regular and stable distributions to Unitholders and to achieve long-term sustainable growth in DPU and NAV per Unit, while maintaining an appropriate capital structure for Dasin Retail Trust.

KEY STRATEGIES

The Trustee-Manager plans to achieve its key objectives through the following key strategies:

• **Active asset management and asset enhancement strategy** – The Trustee-Manager will pro-actively manage Dasin Retail Trust's property portfolio and strive to achieve growth in revenue and Net Property Income and maintain optimal occupancy levels. The Trustee-Manager will also look to drive organic growth and build long-lasting relationships with the tenants of Dasin Retail Trust’s properties. The Trustee-Manager will focus on regular engagement with tenants, effective marketing of vacant units and achieving early renewal commitments. It will also seek property enhancement opportunities to support and enhance organic growth.

• **Acquisition growth strategy** – The Trustee-Manager will achieve portfolio growth through the acquisition of quality income-producing real estate properties in Greater China from the Zhang Vendors and Mr. Zhang Zhencheng under the Sponsor ROFR and other third parties that provide attractive cash flows and yields, as well as land and uncompleted developments which fit within Dasin Retail Trust's investment strategy, to enhance returns to Unitholders and improve potential opportunities for future income and capital growth.

• **Divestment strategy** – Where suitable market opportunities arise and subject to applicable laws and regulations, the Trustee-Manager may divest properties of Dasin Retail Trust or part thereof to realise their optimal market potential and value.

• **Capital and risk management strategy** – The Trustee-Manager will endeavour to employ an appropriate mix of debt and equity in financing acquisitions and asset enhancements, and utilise appropriate financing and hedging policies where appropriate to manage interest rate volatility and foreign exchange exposure for Dasin Retail Trust while maintaining a strong and robust balance sheet.

• **Disciplined development strategy** – The Trustee-Manager will prudently undertake development activity when appropriate opportunities arise while mitigating construction and leasing risks.
Active asset management and asset enhancement strategy

The Trustee-Manager’s strategy for organic growth is to actively manage Dasin Retail Trust’s properties and build strong and long-lasting relationships with tenants by providing value-added property-related services. In the near term, such active asset management will allow the Trustee-Manager to maintain high tenant retention and occupancy levels and achieve stable rental growth, as well as minimise the costs associated with marketing and leasing space to new tenants.

The Trustee-Manager will work closely with the Property Manager to implement pro-active policies and measures to enhance and improve the Properties’ operational performance, thereby increasing yields and mitigating re-leasing risks and costs of the Properties. The Trustee-Manager will focus on, in particular, O2O initiatives, regular engagement with tenants, identifying and achieving early renewal commitments and carrying out asset enhancement projects (where necessary). Dasin Retail Trust will benefit from the Sponsor’s experience in asset management and asset enhancement.

Further, the Trustee-Manager plans to meet its objective of increasing the yields of Dasin Retail Trust’s properties and maximising returns through some of, but not limited to, the following measures:

Implementing pro-active marketing plans

The Trustee-Manager intends to develop customised pro-active marketing plans for each applicable property. Each plan will focus on property-specific needs to maximise tenant interest and enhance the public profile and visibility with a view to increasing the value and appeal of the properties and to maintain the long-term value of the properties.

In addition, the Trustee-Manager will work with the Commercial Manager on O2O initiatives to increase shopper traffic to the Properties. The Trustee-Manager will also tap on the Sponsor’s established O2O commerce business model, including the Dasin Pass platform to attract higher footfall and sales at the Properties. For the avoidance of doubt, the Sponsor does not collect any receipts on behalf of Dasin Retail Trust nor does Dasin Retail Trust make any payments to the Sponsor under the O2O platform and there are no agreements or proposed agreements between the Sponsor and Dasin Retail Trust relating to the use of such O2O technologies.

Improving rentals while maintaining high occupancy rates

While the Properties continue to enjoy high occupancy levels, the Trustee-Manager will work with the Rental Management Companies, Zhongshan Yuanxin, the Property Manager and the Commercial Manager to actively manage tenancy mix, lease renewals and new leases to maintain high tenant retention levels and minimise vacancy periods, through:

- establishing and working towards optimal rental benchmarks for each property;
- identifying and rectifying leases that are about to expire with passing rents which are below market levels and for which there is potential upside;
- advancing renewal negotiations with tenants whose tenancies are approaching expiry;
- increasing the overall marketability and profile of Dasin Retail Trust’s portfolio of properties to increase the prospective tenant base;
- actively monitoring rental arrears to minimise defaults by tenants and other aspects of tenant performance;
• incorporating contractual periodic rental step-up provisions to provide an additional source of organic growth;

• monitoring and, where necessary, improving diversity of the tenant base so as not to overly expose revenue to more cyclical businesses in order to maintain stable cash flows;

• searching for new tenants from sectors currently under-represented in Dasin Retail Trust’s portfolio of properties to pursue an optimal tenant mix;

• monitoring and assessing spaces which are sub-optimal or remain vacant for long periods and working with the Property Manager to redevelop or conduct asset enhancement works (for example, sub-dividing larger sub-optimal units into smaller units) to suit prospective tenants’ needs and thereby improving the marketability of such spaces;

• exploring and facilitating expansion or relocation needs of existing tenants; and

• improving responsiveness to tenants’ feedback and enquiries.

Working together with the Commercial Manager, the Trustee-Manager will initiate tenant retention initiatives to further strengthen tenant relationships. The Trustee-Manager expects that such efforts will contribute to maintaining high tenant retention levels, minimising vacancy levels and reduction in rental income, as well as the associated costs of securing new tenants.

**Delivering high quality services to tenants**

The Trustee-Manager will endeavour to work with the Property Manager and tenants to provide high quality services to tenants through:

• providing high quality asset management services to maintain high retention rates;

• facilitating relocation or expansion of tenants from one Property to another Property under the Initial Portfolio according to their operational requirements;

• improving responsiveness to tenants’ feedback and enquiries; and

• providing additional value-added services to tenants.

**Improving operational efficiency and reducing operating costs**

The Trustee-Manager will work closely with the Property Manager to reduce operating costs without compromising the quality of services. Some cost management initiatives include:

• constant review of workflow process to boost productivity, lower operational cost and foster close partnership with service providers to control costs and potential escalation; and

• exploiting the economies of scale associated with operating a portfolio of properties by, for example, bulk purchasing of supplies and cross-implementation of successful cost-saving programmes.

By reducing operating expenses, the Trustee-Manager aims to further increase Net Property Income.
Asset enhancement initiatives

The Trustee-Manager will work closely with the Property Manager to identify suitable asset enhancement initiatives and refurbishment works, with a view to enhancing the overall market share, cash flow and returns on the invested capital of the Properties.

To the extent possible and permitted by law and regulations, the Trustee-Manager may:

- identify areas that can be converted for higher returns and improve building efficiency; and
- enhance existing attractions or bring in a greater variety of programmes and exhibitions at the Properties to enhance customers’ experience and attract footfall.

Acquisition growth strategy

The Trustee-Manager intends to leverage on existing relationships with tenants and sub-tenants within the Sponsor’s network to create new leasing opportunities and provide real estate solutions for tenants and sub-tenants, to satisfy the objectives of both Dasin Retail Trust and prospective tenants.

The Trustee-Manager will also benefit from the Sponsor’s experience and track record in pursuing opportunities to undertake acquisitions of assets that will provide attractive cash flows and yields relative to Dasin Retail Trust’s weighted average cost of capital. In the near term, this will add value and increase the quality of Dasin Retail Trust’s portfolio, as well as provide opportunities for future income and capital growth. In evaluating future acquisition opportunities whether from the Sponsor or from third parties, the Trustee-Manager will seek acquisitions that may enhance the diversification of the portfolio by location and tenant profile, and optimise risk-adjusted returns to the Unitholders. The Trustee-Manager believes it is well qualified to pursue its acquisition strategy. The management of the Trustee-Manager has extensive experience and a strong track record in sourcing, acquiring and financing commercial and/or commercial-related real estate assets in PRC. The management’s industry knowledge, relationships and access to market information provide a competitive advantage with respect to identifying, evaluating and acquiring commercial (and/or retail) real estate assets.

Investment criteria: Focused on maintaining portfolio quality

In evaluating acquisition opportunities for Dasin Retail Trust, the Trustee-Manager will focus primarily on the following investment criteria in relation to the property under consideration:

- **Yield requirements** – The Trustee-Manager will seek to acquire properties with the ability to provide attractive long-term cash flows and yields above Dasin Retail Trust’s weighted average cost of capital, as well as with the potential for net asset growth.

- **Location** – The Trustee-Manager will assess acquisition opportunities from the perspective of both the broader market and the location-specific aspects. The Trustee-Manager will evaluate a range of location-related criteria including, but not necessarily limited to, ease of access, connectivity to major transportation hubs such as major expressways and thoroughfares, train stations, international airports and other public transportation networks, visibility of premises from the surrounding catchment markets, existing surrounding amenities and immediate presence and concentration of competitors.

- **Asset enhancement potential** – The Trustee-Manager will seek to acquire properties where there is potential to add value to the properties by increasing occupancy, through selective capital expenditure and/or other asset enhancement initiatives.
• **Building and facilities specification** – The Trustee-Manager will endeavour to conduct thorough property due diligence and adhere strictly to the relevant quality specifications, with due consideration given to the size and age of the buildings, with respect to potential properties to be acquired by Dasin Retail Trust. These specifications will depend on the type of property and may change over time due to market developments and tenant demands. It will also ensure that the acquisition properties are in compliance with legal and zoning regulations. The properties will be assessed by independent experts relating to the structural soundness of the building, repairs, maintenance and capital expenditure requirements in the short-to medium-term.

• **Tenant mix and occupancy characteristics** – The Trustee-Manager will seek to acquire properties with opportunities to increase rental and tenant retention rates relative to competing properties in the respective micro-property markets. The properties should have a healthy occupancy with established tenants of good credit standing to minimise rental delinquency and turnover. A key consideration will be the impact of an acquisition on the entire portfolio’s tenant, business sector and lease expiry profiles.

• **Lease expiry profile** – The Trustee-Manager will, where appropriate, focus on properties with longer leases so as to extend the weighted average lease expiry of the Initial Portfolio and/or provide diversification to the lease expiry profile.

• **Land lease maturity** – The Trustee-Manager will, where appropriate, focus on properties with longer underlying land lease terms in order to extend the underlying land lease maturity profile.

In addition, Dasin Retail Trust will benefit from the Sponsor ROFR granted to the Trustee-Manager which, subject to certain conditions, provides Dasin Retail Trust with access to potential future acquisitions and opportunities of income-producing real estate or any property development, located in Greater China, which are used primarily for retail purposes. Each of the Zhang Vendors or Mr. Zhang Zhencheng is obligated to offer to sell their interests in the ROFR Properties to Dasin Retail Trust should any of them decide to divest their respective interest in any of the ROFR Properties, subject to any prior overriding obligations which they may have in relation to the ROFR Properties.

The acquisition of the ROFR Properties is subject to Chapter 9 of the Listing Manual and may be required to be approved by Unitholders at the relevant time in accordance with Chapter 9 of the Listing Manual.

(See “Business and Properties – ROFR Properties” of this Prospectus for more information on the ROFR Properties.)

**Divestment strategy**

The intention of the Trustee-Manager is to hold the properties in Dasin Retail Trust’s portfolio on a long-term basis. However, where suitable market opportunities arise, and subject to applicable laws and regulations, the Trustee-Manager may divest properties of Dasin Retail Trust or part thereof to realise their optimal market potential and value.

In the long run, the Trustee-Manager may also consider divesting mature or non-core properties which have reached a stage that affords limited scope for income growth in order to free up capital and reinvest proceeds towards better growth opportunities.
Capital and risk management strategy

The Trustee-Manager plans to optimise Dasin Retail Trust’s capital structure and cost of capital within the borrowing limit of 60.0% of the value of Dasin Retail Trust’s Trust Property and intends to employ a combination of debt and equity in financing acquisitions and asset enhancement initiatives.

The Trustee-Manager will endeavour to:

- maintain a strong and robust balance sheet;
- secure diversified funding sources to access both financial institutions and capital markets;
- optimise its cost of debt financing;
- adopt appropriate interest rate hedging strategies to minimise exposure to market volatility; and
- utilise currency risk management strategies to minimise exposure to foreign exchange currency volatility.

The Trustee-Manager intends to achieve the above by pursuing the following strategies:

- **Optimal capital structure strategy** – The Trustee-Manager aims to optimise the capital structure and cost of capital, within the borrowing limit of 60.0% of the value of Dasin Retail Trust’s Trust Property. The Trustee-Manager’s strategy of the management of capital involves adopting and maintaining an appropriate aggregate leverage level to ensure optimal returns to Unitholders, while maintaining flexibility in respect of future capital expenditures or acquisitions. The Trustee-Manager will endeavour to employ an optimal capital structure, comprising an appropriate mix of debt and equity in financing the acquisition of properties and asset enhancement activities of its properties.

  The Trustee-Manager will, in the event that Dasin Retail Trust incurs any future borrowings, periodically review Dasin Retail Trust’s capital management policy with respect to its aggregate leverage and modify the policy as its management deems prudent in light of prevailing market conditions. The Trustee-Manager will endeavour to match the maturity of Dasin Retail Trust’s indebtedness with the maturity of Dasin Retail Trust’s investment assets, and to employ long-term, fixed-rate debt to the extent practicable in view of market conditions in existence from time to time. As and when appropriate, the Trustee-Manager may consider diversifying its sources of debt financing in the future by way of accessing the public debt capital markets through the issuance of bonds to further enhance the debt maturity profile of Dasin Retail Trust.

  As at the Listing Date, Dasin Retail Trust is expected to have an indicative aggregate leverage of approximately 27.3% of the value of the Trust Property. Following the acquisition of Shiqi Metro Mall on the Target Shiqi Acquisition Date, the indicative aggregate leverage of Dasin Retail Trust is expected to be approximately 33.6%.

- **Debt diversification strategy** – As and when appropriate, the Trustee-Manager may consider diversifying its sources of debt financing in the future by way of accessing the public debt capital markets through the issuance of investment grade bonds to further enhance the debt maturity profile of Dasin Retail Trust.
• **Proactive interest rate management strategy** – The Trustee-Manager endeavours to utilise interest rate hedging strategies where appropriate from time to time to optimise risk-adjusted returns to Unitholders. The Trustee-Manager will adopt a proactive interest rate management policy to manage the risk associated with changes in interest rates on the loan facilities while also seeking to ensure that Dasin Retail Trust’s on-going cost of debt capital remains competitive.

• **Currency risk management strategy** – The Trustee-Manager endeavours to utilise currency risk management strategies where appropriate from time to time to minimise the impact of Dasin Retail Trust’s distributable income due to foreign exchange volatility, including the use of foreign currency denominated borrowings to match the currency of the asset investment as a natural currency hedge. However, going forward based on the prevailing market conditions, the Trustee-Manager endeavours to utilise currency risk management strategies where appropriate from time to time to minimise the impact of Dasin Retail Trust’s distributable income due to foreign exchange volatility, thereby ensuring optimal returns to Unitholders.

• **Other financing strategy** – The Trustee-Manager will, in the future, consider other opportunities to raise additional equity capital for Dasin Retail Trust through the issuance of new Units, for example, to finance acquisitions of properties. The decision to raise additional equity will also take into account the stated strategy of maintaining an optimal capital structure.

**Disciplined development strategy**

The Sponsor’s and Property Manager’s expertise ensures that the Trustee-Manager will be able to tap on the relevant experience of certain key members of the management team to undertake development and redevelopment activities.

In accordance with the Trust Deed, the total contract value of property development activities undertaken and the value of the investments in uncompleted property development by Dasin Retail Trust shall not exceed 40.0% of the value of the Trust Property. Given the size of the Initial Portfolio, Dasin Retail Trust has the ability to undertake developments of up to approximately RMB 3.0 billion\(^{(1)}\) as at the Listing Date (based on the total contract value of property development activities undertaken and investments in uncompleted property developments). Following the acquisition of Shiqi Metro Mall, Dasin Retail Trust has the ability to undertake developments of up to approximately RMB 4.9 billion\(^{(2)}\) as at the date of acquisition of Shiqi Metro Mall.

In the medium term, Dasin Retail Trust intends to undertake developments on a selective basis to ensure they are value enhancing to the existing portfolio. For example, the Trustee-Manager believes that development activities such as build-to-suit retail developments could be undertaken to cater to a prospective tenant’s operational requirements and specifications. Such developments may generate long-term master leases and enable Dasin Retail Trust to extend its lease expiry profile.

In carrying out development activities, the Trustee-Manager will consider, among other things, development and construction risks, as well as the overall benefits to potential tenants and Unitholders.

**Notes:**

(1) Based on the average of the two independent valuations of the Initial Portfolio as at 30 June 2016.

(2) Based on the average of the two independent valuations of the Initial Portfolio and Shiqi Metro Mall as at 30 June 2016.
BUSINESS AND PROPERTIES

Unless otherwise specified, all information relating to the Properties in the Prospectus are as at 30 June 2016.

OVERVIEW

Dasin Retail Trust is a business trust to be listed on the Main Board of the SGX-ST. Dasin Retail Trust's principal investment mandate 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.

Dasin Retail Trust’s Initial Portfolio has an aggregate value of RMB 4.6 billion (equivalent to approximately S$944.7 million based on an exchange rate of S$1.00: RMB 4.83) as at 30 June 2016, and comprises three properties located in Zhongshan City in PRC, which comprise an aggregate GFA of approximately 314,884.9 sq m.

The Initial Portfolio is selected based on the Trustee-Manager’s aim of striking a balance between properties which are mature and those which are completed but not fully stabilised so as to offer Unitholders a good mix of growth and income. The Trustee-Manager has identified three Properties as capable of being restructured and for which approvals are already in place, or may be obtained prior to Listing. The Properties are quality income-producing assets that can meet investors’ expectations on cash distributions of Dasin Retail Trust, while ensuring that these Properties have potential for growth in the foreseeable future through the Sponsor’s and Trustee-Manager’s strong development and operational capabilities.

The Initial Portfolio consists of the following Properties:

(a) **Xiaolan Metro Mall**: a 100.0% stake in Xiaolan Metro Mall. Xiaolan Metro Mall is a shopping mall located at No. 18 Shengping Middle Road, Xiaolan Town, Zhongshan, Guangdong Province, PRC, with a GFA of 108,690.3 sq m (including car park space of 20,455.2 sq m). It commenced operations in September 2005. Xiaolan Metro Mall comprises a basement level of car park space and five levels above ground. It provides an array of leisure and entertainment and F&B choices, which include a supermarket and a cinema. Xiaolan Metro Mall appeals to mainly local residents from the high density residential communities located near the shopping mall;

(b) **Ocean Metro Mall**: a 100.0% stake in Ocean Metro Mall. Ocean Metro Mall is a mid-to mid-upper tier shopping mall located at No. 28 Boai Six Road, Dongqu District, Zhongshan, Guangdong Province, PRC, with a GFA of 180,338.0 sq m (including car park space of 94,343.1 sq m). It commenced operations in December 2014. It comprises a five-storey shopping mall over-mounting a three-level basement retail and 1,991 basement car park lots. Ocean Metro Mall provides an array of retail, F&B and entertainment and cultural choices, which include a supermarket, a furniture shop, cinemas, a fitness centre and a karaoke outlet. Ocean Metro Mall attracts mainly students from the schools located in the vicinity, residents from the nearby residential communities, employees working in the office buildings nearby and the visitors of the nearby convention centre; and

(c) **Dasin E-Colour**: a 100.0% stake in Dasin E-Colour. Dasin E-Colour is a nine-storey shopping mall located at South Tower, No. 4 Qitou New Village Longfeng Road, Shiqi District, Zhongshan, Guangdong Province, PRC, with a GFA of 25,856.6 sq m. It commenced operations in May 2015, and is a one-stop destination offering F&B, fashion, leisure and entertainment services. Part of the eighth and ninth levels houses a business incubator for students of University of Electronic Science and Technology of China (Zhongshan Institute), which opened in December 2016. The entire seventh level, which is utilised for a karaoke and
other entertainment facilities, commenced operations in November 2016. Dasin E-Colour’s
target customer base is mainly the teacher and student population from a university in the
vicinity, in particular, the youths.

For the avoidance of doubt, the Initial Portfolio does not include Shiqi Metro Mall and the Doumen
Metro Mall Development Project as they will not be acquired by Dasin Retail Trust as at the Listing
Date.

Acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company

In addition to the foregoing Properties, Singapore Holdco entered into the Shiqi Framework
Agreement with Mr. Zhang Zhencheng and Dasin Management and Investment on 13 January
2017, for Dasin Retail Trust to acquire Shiqi Metro Mall, via the acquisition of the Shiqi PRC
Property Company, and the Shiqi Rental Management Company from Dasin Management and
Investment.

Shiqi Metro Mall is a shopping mall located at No. 2, South Dasin Road, Shiqi District, Zhongshan,
Guangdong Province, PRC, with a GFA of 119,681.9 sq m (including car park space of 18,096.8
sq m). It commenced operations in May 2004. It comprises two basement levels of car park space
and five levels above ground, providing an array of retail, F&B, children stores and leisure and
entertainment choices, which include a department store selling children’s products, cinemas and
a karaoke outlet.

Shiqi Metro Mall had been mortgaged to certain banks and financial institutions pursuant to certain
loan facilities. Save for the loan facilities that have been granted to the entities in the Dasin Retail
Trust Group, the Sponsor requires some time to negotiate with the banks and financial institutions
on the unwinding of these loan facilities and the discharge of the mortgages. As such, Dasin Retail
Trust will only complete the acquisition of Shiqi Metro Mall in accordance with the Shiqi Holdco
Sale and Purchase Agreement after the Sponsor unwinds all the loan facilities granted or
transferred to the entities that are not part of the Dasin Retail Trust Group and after the
corresponding mortgages are discharged.

Under the Shiqi Framework Agreement, Mr. Zhang Zhencheng will incorporate Shiqi Holdco, a
Singapore holding company which will in turn incorporate two wholly-owned subsidiaries, one of
which will be used to acquire the Shiqi PRC Property Company, established by Dasin
Management and Investment to hold Shiqi Metro Mall, and the other one of which will be used to
acquire the Shiqi Rental Management Company, a wholly-owned subsidiary of Dasin Management
and Investment. After the Shiqi PRC Property Company and the Shiqi Rental Management
Company have been acquired by the subsidiaries of Shiqi Holdco, Dasin Retail Trust will then
acquire Shiqi Holdco from Mr. Zhang Zhencheng at a purchase consideration of approximately
RMB 1,224.0 million, which is arrived at on a willing-buyer and willing-seller basis based on the
implied acquisition price of Shiqi Metro Mall of approximately RMB 1,224.0 million\(^1\).

Under the Shiqi Framework Agreement, Mr. Zhang Zhencheng is obliged to enter into the Shiqi
Holdco Sale and Purchase Agreement for the sale of Shiqi Holdco to Dasin Retail Trust (via
Singapore Holdco) and complete the sale of Shiqi Holdco by the Target Shiqi Acquisition Date.
Under the Shiqi Framework Agreement, if the conditions precedent for the acquisition of Shiqi
Metro Mall and the Shiqi Rental Management Company are not met by the Target Shiqi Acquisition
Date, Singapore Holdco is entitled to terminate the Shiqi Framework Agreement as well as the
Shiqi Holdco Sale and Purchase Agreement without liability. The Shiqi Framework Agreement
provides that it can only be terminated by Singapore Holdco through rescission due to (i) material
damage to Shiqi Metro Mall or (ii) material breach of the Shiqi Framework Agreement by Dasin

\(^1\) The implied acquisition price of Shiqi Metro Mall is based on the average of the two independent valuations of Shiqi
Metro Mall as at 30 June 2016, and determined on a willing-seller and willing-buyer basis.
Management and Investment or Mr. Zhang Zhencheng (including failure to meet any of the conditions precedent for the acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company of Shiqi Metro Mall by the Target Shiqi Acquisition Date and failure to provide the banker’s guarantee within the stipulated timeframe) which is not remedied within 14 working days (or such other date as mutually agreed by the parties) after receipt of notification from Singapore Holdco.

In addition, if the completion of the acquisition of Shiqi Holdco does not take place on or before the Target Shiqi Acquisition Date due to a material breach by Mr. Zhang Zhencheng and/or Dasin Management and Investment of the Shiqi Framework Agreement (including a failure to meet any conditions precedent stipulated in the Shiqi Framework Agreement and failure to provide the banker’s guarantee within the stipulated timeframe) or the Shiqi Holdco Sale and Purchase Agreement (as the case may be), Mr. Zhang Zhencheng and Dasin Management and Investment shall jointly and severally compensate Singapore Holdco by paying to Singapore Holdco 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 Singapore Holdco; or (iii) 31 December 2017, whichever is earlier, up to a maximum of RMB 19.6 million for the year 2017. If the completion of the acquisition of Shiqi Holdco does not take place on or before 31 December 2017, due to a material breach by Mr. Zhang Zhencheng and/or Dasin Management and Investment 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), Mr. Zhang Zhencheng and Dasin Management and Investment shall jointly and severally compensate Singapore Holdco by paying to Singapore Holdco 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 Singapore Holdco; or (iii) 31 December 2018, whichever is earlier, up to a maximum of RMB 56.2 million for the year 2018. Such compensation is without prejudice to the legal remedies that Dasin Retail Trust may seek against Dasin Management and Investment and Mr. Zhang Zhencheng, which may include specific performance and compensation for losses incurred by Dasin Retail Trust due to the breach of the Shiqi Framework Agreement or the Shiqi Holdco Sale and Purchase Agreements (as the case may be).

The compensation amount was determined based on the principle that the distribution yield in Forecast Year 2017 and Projection Year 2018 for Unitholders should be similar even if Shiqi Metro Mall was not acquired. Accordingly, the maximum compensation amounts of RMB 19.6 million for Forecast Year 2017 and RMB 56.2 million for Projection Year 2018 were derived based on the approximate incremental distributable income that was projected to be generated by Dasin Retail Trust from Shiqi Metro Mall for the financial years ending 31 December 2017 and 31 December 2018 had Dasin Retail Trust completed the acquisition of Shiqi Metro Mall on 30 June 2017 (see “Profit Forecast and Profit Projection” of this Prospectus for further details), and adjusted for Singapore income tax of 17.0% that may be payable by Singapore Holdco on the compensation amount.

The RMB 3.3 million monthly compensation was derived by dividing the maximum compensation amount for the period from 1 July 2017 till 31 December 2017 (both dates inclusive) of RMB 19.6 million over six months, while the RMB 4.7 million monthly compensation was derived by dividing the maximum compensation amount for the period from 1 January 2018 to 31 December 2018 (both dates inclusive) of RMB 56.2 million over 12 months.

As security for the due fulfilment of Mr. Zhang Zhencheng's and Dasin Management and Investment’s compensation obligations under the Shiqi Framework Agreement, Dasin Management and Investment will provide 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), to the Trustee-Manager on the date the Shiqi Framework Agreement is entered into for the period from 1 July 2017 till 31 December 2017 (both dates inclusive). If the acquisition of Shiqi Metro Mall is not completed on or before 31 December 2017, Dasin Management and Investment undertakes to provide a
banker’s guarantee of RMB 56.2 million to the Trustee-Manager by 31 December 2017 for the period from 1 January 2018 to 31 December 2018 (both dates inclusive). If the acquisition of Shiqi Metro Mall is not completed on or before 31 December 2018, then Singapore Holdco may terminate the Shiqi Framework Agreement as well as the Shiqi Holdco Sale and Purchase Agreement without liability on the part of Singapore Holdco.

The acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company (via the acquisition of Shiqi Holdco) by Dasin Retail Trust will be wholly financed by debt, and will be made conditional upon certain conditions being met, for example, the receipt of all relevant titles (including the Building Ownership Certificate for the newly constructed extension of Shiqi Metro Mall, which is approximately 674.3 sq m. See “Risk Factors – Risks Relating to the Properties and Shiqi Metro Mall – The Building Ownership Certificate in respect of a portion of Shiqi Metro Mall comprising a newly constructed area of 674.3 sq m has yet to be obtained.” of this Prospectus for further information) and the discharge of all encumbrances of Shiqi Metro Mall. Each of Dasin Management and Investment and Mr. Zhang Zhencheng has undertaken in the Shiqi Framework Agreement that it/he will use best endeavours to ensure that all encumbrances of Shiqi Metro Mall will be discharged by the Target Shiqi Acquisition Date.

The assessment on whether the conditions precedent in the Shiqi Holdco Sale and Purchase Agreement have been met will be determined by the management of the Trustee-Manager and reviewed by the Audit and Risk Committee before recommendations are made to the Board of the Trustee-Manager for the approval of the Board, in accordance with the investment strategy of Dasin Retail Trust, the provisions of the Listing Manual and the Business Trusts Act. If a member of the Board (including the Audit and Risk Committee) has an interest in the transaction, he will abstain from participating in the review and approval process.

Prior to execution of the Shiqi Holdco Sale and Purchase Agreement, the Trustee-Manager will appoint two independent valuers who will each conduct an independent valuation of Shiqi Metro Mall. If the average of the two independent valuations falls below RMB 1,224.0 million, the purchase consideration of Shiqi Holdco will be reduced to the average or lower than the average of the two independent valuations as mutually agreed between Mr. Zhang Zhencheng and Singapore Holdco. There will not be any upward adjustment to the implied acquisition price of Shiqi Metro Mall of approximately RMB 1,224.0 million, regardless of whether one or both valuations is/are higher than RMB 1,224.0 million, unless Unitholders’ approval to amend the terms of the Shiqi Framework Agreement has been obtained at an extraordinary general meeting. Mr. Zhang Zhencheng, as settlor of the Zhang Family Trust, has undertaken in the Shiqi Framework Agreement that in the event there is any amendment to the Shiqi Framework Agreement, and Unitholders’ approval is required for such amendment(s), he shall procure the Family Trustee, as the trustee of the Zhang Family Trust, to abstain from voting in respect of its Units.

The Constitution of the Trustee-Manager provides that a director of the Trustee-Manager shall not vote in respect of any transaction, contract or arrangement or any other proposal in which he has any personal material interest, directly or indirectly. Accordingly, as a Director, Mr. Zhang Zhencheng is unable to vote in a meeting of the Board of Directors on matters relating to the Shiqi Framework Agreement and the Shiqi Holdco Sale and Purchase Agreement, as Mr. Zhang Zhencheng has a personal material interest in the Shiqi Framework Agreement and Shiqi Holdco Sale and Purchase Agreement.

For the avoidance of doubt, there are no deposits payable by Dasin Retail Trust for the acquisition of Shiqi Metro Mall under the Shiqi Framework Agreement. The Shiqi Framework Agreement does not provide for any sums to be payable by Dasin Retail Trust in the event the acquisition of Shiqi Metro Mall is not completed.
The Shiqi Framework Agreement and the acquisition of Shiqi Holdco are interested person transactions under Chapter 9 of the Listing Manual of the SGX-ST and the purchase consideration of approximately RMB 1,224.0 million for Shiqi Holdco under the Shiqi Framework Agreement is deemed to be approved by the Unit holders upon the subscription for Units.

(See “Certain Agreements Relating to Dasin Retail Trust and the Properties – Shiqi Framework Agreement” of this Prospectus for further details on the acquisition of Shiqi Metro Mall.)

(See “Business and Properties – Shiqi Metro Mall” of this Prospectus for further details on Shiqi Metro Mall.)

Purchase Option to acquire the Doumen Metro Mall Development Project

Further, Dasin Management and Investment has on 27 December 2016 granted to Singapore Holdco the Doumen Purchase Option to acquire the Doumen Metro Mall Development Project. The Doumen Metro Mall Development Project is currently a development project that is undergoing construction, which is expected to be completed and to commence operations in the second quarter of 2018. It will be a shopping mall located in the Doumen District of Zhuhai City in PRC. It is expected to comprise two basement levels of car park space and six levels above ground, and is intended to be a large-scale integrated shopping mall providing for a one-stop destination for leisure and entertainment, F&B and retail activities.

Prior to the exercise of the Doumen Purchase Option, the Trustee-Manager will appoint two independent valuers who will each conduct independent valuations of the Doumen Metro Mall Development Project. The purchase consideration of the Doumen Metro Mall Development Project shall be determined by mutual agreement between both parties but shall not exceed the lower of the two independent valuations undertaken on an “as-is” basis at the time of the exercise of the Doumen Purchase Option. The quality and construction works of the Doumen Metro Mall Development Project at the relevant construction phase on hand-over must be satisfactory to the Singapore Holdco.

The Doumen Purchase Option shall be exercisable by Singapore Holdco from the Listing Date and shall expire upon the issuance of the completion certificate in respect of the Doumen Metro Mall Development Project by the relevant PRC authorities (or such other dates as the parties may mutually agree). Any change to the terms of the Doumen Purchase Option will be subject to Rules 905 and 906 of the Listing Manual.

Upon the exercise of the Doumen Purchase Option, Singapore Holdco and Dasin Management and Investment (through their respective subsidiaries or special purpose vehicles) shall be entitled but not obliged to enter into a sale and purchase agreement for the acquisition of the project company that holds the Doumen Metro Mall Development Project at the acquisition price in accordance with the terms of the Doumen Purchase Option.

The decision on whether Singapore Holdco will exercise the Doumen Purchase Option will be determined by the management of the Trustee-Manager, reviewed by the Audit and Risk Committee and recommended to the Board of the Trustee-Manager for the approval of the Board, in accordance with the investment strategy of Dasin Retail Trust, the provisions of the Listing Manual and the Business Trusts Act. If a member of the Board (including the Audit and Risk Committee) has an interest in the Doumen Metro Mall Development Project, he will abstain from participating in the review and approval process. In addition, the Audit and Risk Committee will conduct an annual assessment on whether Singapore Holdco should exercise the Doumen Purchase Option prior to the expiry of the Doumen Purchase Option.
For the avoidance of doubt, in the event the Doumen Purchase Option is not exercised by the expiry of the term of the Doumen Purchase Option, the Doumen Metro Mall Development Project will constitute a ROFR Property.

(See “Certain Agreements Relating to Dasin Retail Trust and the Properties – Doumen Purchase Option” of this Prospectus for further details on the Doumen Purchase Option.)

(See “Business and Properties – the Doumen Metro Mall Development Project” of this Prospectus for further details on the Doumen Metro Mall Development Project.)

COMPETITIVE STRENGTHS

The Trustee-Manager believes that the Properties enjoy the following competitive strengths:

i. **Quality retail properties in strategic locations with large and growing population catchments**

The Initial Portfolio consists of quality properties that provide mega-mall experiences to customers which cannot be purchased online, thereby attracting strong footfall. Majority of the Properties are developed with a Big 5 concept in mind – Big Department Store, Big Supermarket, Big Home Furnishings, Big F&B and Big Entertainment. The Properties are often the only one or are among the few retail malls offering one-stop shopping in their respective trade areas, thus drawing high volumes of shoppers to the Properties.

The Properties are strategically located in large, well-established and growing population catchment areas with access to public transportation facilities, such as train stations and bus stations for both local and inter-city transport routes. According to CBRE, the trade areas served by the Properties are characterised by above-average income and retail spending levels and population catchments which range up to 791,000 people in size. Population and income within the main trade area is expected to grow at a rate of 0.9% to 2.1% and 7.3% to 9.2% respectively over the next few years.

ii. **E-commerce and cloud-based platforms are an integral part of the DNA of the properties**

The Properties operate on a business model where the website and cloud-based platform of Dasin Pass has been integrated into its business model. This business model enables physical stores to become more experiential resulting in optimal use of retail space, a wider variety of products sold online round the clock, and authorised marketing targeted at a larger and more stable membership base. As a result, it is expected to enhance the positioning and competitiveness of the malls, by offering a more attractive proposition to the tenants, and hence increasing the level of rent the shopping malls are able to command.

iii. **Diversified and quality tenant base**

The Properties and Shiqi Metro Mall benefit from the well-established brand names of their anchor tenants and their market leadership in their respective trade sectors. A significant portion of the Properties’ tenancies consist of major international and domestic retailers such as RT-Mart, Suning Electronics, and Carrefour. A significant portion of Shiqi Metro Mall’s tenancies consist of major international and domestic retailers such as RT-Mart and Watsons. According to CBRE, RT-Mart is China’s second biggest hypermarket operator in China by sales in 2015 recording RMB 107.9 billion with 409 stores located nationwide.
Suning Electronics is one of the top home appliance retailers in China with retail sales of RMB 158.6 billion as of 2015. Carrefour is one of the world leading retailers with sales of EUR104.4 billion in 2015 and 12,296 stores under operations internationally.1

The Properties and Shiqi Metro Mall have a large combined tenant base of 431 tenants (as at 30 June 2016). In addition to the tenants mentioned above, other tenants in the Properties include companies such as Nike, Starbucks, McDonalds, KFC and Pizza Hut and other tenants in Shiqi Metro Mall include companies such as Superior City Department Store and Jane Eyre Furniture Mall. These tenants represent a wide variety of consumer trade sectors and provide trade and product diversification for the Properties.

iv. Potential for asset enhancement in the future

The Trustee-Manager has identified various potential asset enhancement opportunities for Xiaolan Metro Mall and Ocean Metro Mall to enhance and improve their operating returns. (See “Overviews – Key Investment Highlights – Platform for Robust Growth – Asset Enhancement Initiatives” of this Prospectus for further details.)

CERTAIN INFORMATION ON THE PROPERTIES AND SHIQI METRO MALL

Key Information on the Properties and Shiqi Metro Mall

The table below sets out certain information on the Properties as well as Shiqi Metro Mall as at 30 June 2016, with independent valuations by the Independent Valuers as at 30 June 2016.

<table>
<thead>
<tr>
<th>Property</th>
<th>Xiaolan Metro Mall</th>
<th>Ocean Metro Mall</th>
<th>Dasin E-Colour</th>
<th>Shiqi Metro Mall</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address</strong></td>
<td>No. 18 Shengping</td>
<td>No. 28 Boai Six</td>
<td>South Tower,</td>
<td>No. 2, South Dasin</td>
</tr>
<tr>
<td></td>
<td>Middle Road,</td>
<td>Road, Dongqu</td>
<td>No. 4 Qitou,</td>
<td>Road, Shiqi District,</td>
</tr>
<tr>
<td></td>
<td>Xiaolan Town,</td>
<td>District, Zhongshan,</td>
<td>New Village,</td>
<td>Zhongshan,</td>
</tr>
<tr>
<td></td>
<td>Zhongshan,</td>
<td>Guangdong</td>
<td>Longfeng Road,</td>
<td>Guangdong</td>
</tr>
<tr>
<td></td>
<td>Guangdong</td>
<td>Province, PRC</td>
<td>Shiqi District,</td>
<td>Province, PRC</td>
</tr>
<tr>
<td></td>
<td>Province, PRC</td>
<td></td>
<td>Zhongshan,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Guangdong</td>
<td></td>
</tr>
<tr>
<td><strong>Month of Commencement of Operations</strong></td>
<td>September 2005</td>
<td>December 2014</td>
<td>May 2015</td>
<td>May 2004</td>
</tr>
<tr>
<td><strong>Expiry Date of Land Use Rights</strong></td>
<td>1 April 2043</td>
<td>21 February 2046</td>
<td>28 July 2045</td>
<td>27 July 2041(1)</td>
</tr>
<tr>
<td><strong>Number of Tenancies as at 30 June 2016</strong></td>
<td>136</td>
<td>132</td>
<td>45</td>
<td>163</td>
</tr>
<tr>
<td><strong>Occupancy Rate as at 30 June 2016 (%)</strong></td>
<td>100.0</td>
<td>99.5</td>
<td>92.8</td>
<td>98.8</td>
</tr>
<tr>
<td><strong>GFA (sq m)</strong></td>
<td>108,690.3</td>
<td>180,338.0</td>
<td>25,856.6</td>
<td>119,681.9</td>
</tr>
<tr>
<td></td>
<td>(including car park space of 20,455.2)</td>
<td>(including car park space of 94,343.1)</td>
<td></td>
<td>(including car park space of 18,096.8)</td>
</tr>
<tr>
<td><strong>NLA (sq m)</strong></td>
<td>77,746.6</td>
<td>66,895.1</td>
<td>12,637.9</td>
<td>86,351.8</td>
</tr>
<tr>
<td><strong>Car Park Lots</strong></td>
<td>626</td>
<td>1,991</td>
<td></td>
<td>545</td>
</tr>
</tbody>
</table>

1 Source: CBRE. (See “Appendix F – Independent Market Research Report” of this Prospectus for further details).
<table>
<thead>
<tr>
<th>Property</th>
<th>Xiaolan Metro Mall</th>
<th>Ocean Metro Mall</th>
<th>Dasin E-Colour</th>
<th>Shiqi Metro Mall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Rental Income&lt;sup&gt;(4)&lt;/sup&gt; for the month of June 2016 (RMB million)</td>
<td>7.78</td>
<td>3.59</td>
<td>0.89</td>
<td>8.52</td>
</tr>
<tr>
<td>Valuation as at 30 June 2016 (with the Master Lease Agreements) (RMB million)</td>
<td>Savills: 2,411 Colliers: 2,272</td>
<td>Savills: 2,013 Colliers: 1,780</td>
<td>Savills: 308 Colliers: 342</td>
<td>Savills: 2,803.5 Colliers: 2,899</td>
</tr>
<tr>
<td>Valuation as at 30 June 2016 (without the Master Lease Agreements&lt;sup&gt;(7)&lt;/sup&gt;) (RMB million)</td>
<td>Savills: 2,380 Colliers: 2,307</td>
<td>–</td>
<td>Savills: 308 Colliers: 349</td>
<td>–</td>
</tr>
<tr>
<td>Implied Acquisition Price (RMB million)</td>
<td>1,580&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td>1,280&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td>219&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td>1,224&lt;sup&gt;(6)&lt;/sup&gt;</td>
</tr>
<tr>
<td>Net Property Income Contribution for Forecast Year 2017 and Projection Year 2018 (RMB million)</td>
<td>91.9 for Forecast Year 2017 106.2 for Projection Year 2018</td>
<td>47.0 for Forecast Year 2017 56.9 for Projection Year 2018</td>
<td>11.7 for Forecast Year 2017 13.6 for Projection Year 2018</td>
<td>49.6 for Forecast Year 2017 105.3 for Projection Year 2018</td>
</tr>
<tr>
<td>WALE by committed NLA as at 30 June 2016 (years)</td>
<td>6.0</td>
<td>11.9</td>
<td>5.0</td>
<td>5.5</td>
</tr>
<tr>
<td>WALE by Gross Rental Income for the month of June 2016 (years)</td>
<td>3.9</td>
<td>6.9</td>
<td>3.7</td>
<td>3.8</td>
</tr>
</tbody>
</table>

Notes:

1. The expiry date of the land use right for Shiqi Metro Mall is 27 July 2041 (for commercial use) and 27 July 2071 (for residential use).
2. Based on the Building Ownership Certificates. (See “Certain Defined Terms and Convention” of this Prospectus for details regarding the computation of GFA.)
3. The residential condominium located next to Dasin E-Colour has approximately 654 public parking lots available over two floors, which shoppers at Dasin E-Colour can use. The residential condominium was developed by the Sponsor and is directly connected to Dasin E-Colour via a link bridge.
4. Includes VAT.
5. The implied acquisition price of each of Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour is based on the average of the two independent valuations of Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour respectively as at 30 June 2016, and determined on a willing-seller and willing-buyer basis taking into consideration the Offering Price which includes the Underwriting, Selling and Management Commission, as well as other estimated offering expenses.
6. The implied acquisition price of Shiqi Metro Mall is based on the average of the two independent valuations of Shiqi Metro Mall as at 30 June 2016, and determined on a willing-seller and willing-buyer basis. Based on the implied acquisition price of Shiqi Metro Mall of RMB 1,224.0 million, the purchase consideration for Shiqi Holdco is approximately RMB 1,224.0 million.
7. The valuation without the Master Lease Agreement(s) is derived based on the assumption that the space leased under the Master Lease Agreement(s) is leased to third parties at prevailing market rental rates.
Key Information on the Doumen Metro Mall Development Project

The table below sets out certain information on the Doumen Metro Mall Development Project as at 30 June 2016.

<table>
<thead>
<tr>
<th>Property</th>
<th>The Doumen Metro Mall Development Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Zhuhai City, Doumen District, Jingan Town, Zhongxing Road, PRC</td>
</tr>
<tr>
<td>Expected Date of Commencement of Operations</td>
<td>Second quarter of 2018</td>
</tr>
<tr>
<td>Expiry Date of Land Use Rights</td>
<td>12 October 2052</td>
</tr>
<tr>
<td>Estimated GFA$^{(1)}$ (sq m)</td>
<td>167,794.1</td>
</tr>
<tr>
<td>Estimated NLA$^{(1)}$ (sq m)</td>
<td>106,371.5</td>
</tr>
<tr>
<td>Number of Floors</td>
<td>Eight floors (including two basement floors)</td>
</tr>
<tr>
<td>Estimated Car Park Lots$^{(1)}$</td>
<td>1,222</td>
</tr>
</tbody>
</table>

Note:

(1) The relevant GFA, NLA and information on the car park lots are based on architectural plans prepared by the relevant architects. These areas may differ from the actual GFA, NLA and car park lots of the relevant properties when completed. The GFA will be finalised when the respective Building Ownership Certificates of the relevant properties are issued.

For the avoidance of doubt, the Initial Portfolio does not include Shiqi Metro Mall and the Doumen Metro Mall Development Project as they will not be acquired by Dasin Retail Trust as at the Listing Date.

Property Sector Analysis

The charts below provide a breakdown of Gross Rental Income for the month of June 2016 by property.

Breakdown of Gross Rental Income by property

![Chart showing breakdown of gross rental income by property for Initial Portfolio]
The charts below provide a breakdown of NLA as at 30 June 2016 by property.

**Breakdown of NLA by property**

**Initial Portfolio**
(Breakdown of NLA by Property)
The charts below provide a breakdown of valuation as at 30 June 2016 by property.

**Breakdown of valuation by property**

### Initial Portfolio

**Breakdown of valuation by Property**

- **Dasin E-Colour**
  - Valuation: RMB 0.3 billion
  - Percentage: 7%

- **Ocean Metro Mall**
  - Valuation: RMB 1.9 billion
  - Percentage: 42%

- **Xiaolan Metro Mall**
  - Valuation: RMB 2.3 billion
  - Percentage: 51%

**Total**: RMB 4.6 billion

### Initial Portfolio and Shiqi Metro Mall

**Breakdown of valuation by property**

- **Dasin E-Colour**
  - Valuation: RMB 0.3 billion
  - Percentage: 4%

- **Ocean Metro Mall**
  - Valuation: RMB 1.9 billion
  - Percentage: 28%

- **Shiqi Metro Mall**
  - Valuation: RMB 2.9 billion
  - Percentage: 38%

- **Xiaolan Metro Mall**
  - Valuation: RMB 2.3 billion
  - Percentage: 32%

**Total**: RMB 7.4 billion
Comparison of the valuation with the implied acquisition price of the Initial Portfolio and Shiqi Metro Mall

The Gross Revenue, Net Property Income, and average occupancy rates of the Properties in the Initial Portfolio and Shiqi Metro Mall for Forecast Year 2017 and Projection Year 2018 are presented below.

Breakdown of gross revenue by property

Gross Revenue, Net Property Income, and average occupancy rates of the Properties in the Initial Portfolio and Shiqi Metro Mall

The Gross Revenue, Net Property Income, and average occupancy rates of the Properties in the Initial Portfolio and Shiqi Metro Mall for Forecast Year 2017 and Projection Year 2018 are presented below.

Breakdown of gross revenue by property

Initial Portfolio
(Breakdown of gross revenue by Property)
Initial Portfolio and Shiqi Metro Mall
(Breakdown of gross revenue by property)

Breakdown of Net Property Income by property

Initial Portfolio
(Breakdown of Net Property Income by Property)

Initial Portfolio and Shiqi Metro Mall
(Breakdown of Net Property Income by property)
Breakdown of average occupancy rates by property

Initial Portfolio

(Breakdown of average occupancy rates by Property)

Average Occupancy Rate

Forecast Year 2017 | Projection Year 2018

<table>
<thead>
<tr>
<th>Initial Portfolio</th>
<th>Xiaolan Metro Mall</th>
<th>Ocean Metro Mall</th>
<th>Dasin E-Colour</th>
<th>Initial Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Initial Portfolio and Shiqi Metro Mall

(Breakdown of average occupancy rates by property)

Average Occupancy Rate

Forecast Year 2017 | Projection Year 2018

<table>
<thead>
<tr>
<th>Initial Portfolio and Shiqi Metro Mall</th>
<th>Xiaolan Metro Mall</th>
<th>Ocean Metro Mall</th>
<th>Dasin E-Colour</th>
<th>Shiqi Metro Mall</th>
<th>Initial Portfolio and Shiqi Metro Mall</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Trade Sector Analysis

Breakdown of NLA by trade sector as at 30 June 2016

The chart below provides a breakdown of NLA by the different trade sectors as at 30 June 2016.

Initial Portfolio
(Breakdown of NLA by trade sector)

Note:
"Others" include gifts & specialties, toys, pharmacy, warehouse, education/school, floral, water purification equipment, ATM, travel agency and sports lottery.

Initial Portfolio and Shiqi Metro Mall
(Breakdown of NLA by trade sector)

Note:
"Others" include education/school, pharmacy, gifts & specialties, warehouse, new energy vehicle, floral, water purification equipment, ATM, travel agency, sports lottery, and books & stationery.
Breakdown of Gross Rental Income by trade sector for the month of June 2016

The chart below provides a breakdown of Gross Rental Income by the different trade sectors for the month of June 2016.

Initial Portfolio
(Breakdown of June 2016 Gross Rental Income by trade sector)

Note:
“Others” include gifts & specialties, toys, pharmacy, warehouse, new energy vehicle, education/school, floral, water purification equipment, ATM, travel agency and sports lottery.

Initial Portfolio and Shiqi Metro Mall
(Breakdown of June 2016 Gross Rental Income by trade sector)

Note:
“Others” include education/school, pharmacy, gifts & specialties, warehouse, new energy vehicle, floral, water purification equipment, ATM, travel agency, sports lottery, and books & stationery.
Top 10 Tenants

The top 10 tenants contributed 41.7% of the Initial Portfolio’s Gross Rental Income for the month of June 2016. Certain key tenants are also contracted on long-term leases which ensure the long-term stability of the Initial Portfolio.

The following table sets out selected information on the top 10 tenants for the Initial Portfolio by Gross Rental Income for the month of June 2016.

<table>
<thead>
<tr>
<th>No.</th>
<th>Tenant</th>
<th>Name of Retailer</th>
<th>Trade Sector</th>
<th>Lease Expiry Date</th>
<th>Percentage of Gross Rental Income of the Initial Portfolio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Zhongshan Youyuecheng Store Management Co., Ltd (中山市优越城百货管理有限公司)</td>
<td>Superior City Department Store (优越城百货)</td>
<td>Department Store</td>
<td>September 2017</td>
<td>4.6 9.4</td>
</tr>
<tr>
<td></td>
<td>Zhongshan East Youyuecheng Store Management Co., Ltd (中山市东区优越城百货管理有限公司)</td>
<td></td>
<td></td>
<td>December 2029</td>
<td>4.8</td>
</tr>
<tr>
<td>2</td>
<td>Zhongshan Jianmei Jane Eyre Home Furnishing Co., Ltd., Xiaolan Branch (中山市简美家居有限公司小榄分公司)</td>
<td>Jane Eyre Furniture Mall (简爱家居)</td>
<td>Furniture</td>
<td>September 2017</td>
<td>0.1 6.2</td>
</tr>
<tr>
<td></td>
<td>Jian Mei Furniture Co., Ltd. (Dongqu Branch) (中山市简美家居有限公司东区分公司)</td>
<td></td>
<td></td>
<td>April 2024</td>
<td>3.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>September 2024</td>
<td>2.2</td>
</tr>
<tr>
<td>3</td>
<td>Kunshan Runhua Business Co., Ltd. Xiaolan Branch (昆山润华商业有限公司中山小榄分公司)</td>
<td>RT-Mart (大润发超市)</td>
<td>Supermarket</td>
<td>September 2025</td>
<td>5.0</td>
</tr>
<tr>
<td>4</td>
<td>Yuan Yang Dasin Food</td>
<td>Xin Xuan Hotel Restaurant (信轩酒楼)</td>
<td>Food &amp; Beverage</td>
<td>November 2024</td>
<td>1.8 4.8</td>
</tr>
<tr>
<td></td>
<td>Yuan Yang Dasin Food</td>
<td></td>
<td></td>
<td>April 2026</td>
<td>2.7</td>
</tr>
<tr>
<td></td>
<td>Yi Cai Dasin Food</td>
<td></td>
<td></td>
<td>February 2026</td>
<td>0.3</td>
</tr>
<tr>
<td>5</td>
<td>Xiaolan Town Of Zhongshan City Dong Du Entertainment Co., Ltd (中山市小榄镇东都会娱乐有限公司)</td>
<td>Dong Du Hui Nightclub (东都会夜总会)</td>
<td>Entertainment</td>
<td>January 2020</td>
<td>3.5</td>
</tr>
<tr>
<td>6</td>
<td>Zhongshan Suning Co., Ltd (中山苏宁云商商贸有限公司)</td>
<td>Suning Electronics (苏宁电器)</td>
<td>Electronics</td>
<td>June 2018 (Xiaolan Metro Mall) and December 2024 (Ocean Metro Mall)</td>
<td>3.2</td>
</tr>
<tr>
<td>No.</td>
<td>Tenant</td>
<td>Name of Retailer</td>
<td>Trade Sector</td>
<td>Lease Expiry Date</td>
<td>Percentage of Gross Rental Income of the Initial Portfolio (%)</td>
</tr>
<tr>
<td>-----</td>
<td>--------</td>
<td>------------------</td>
<td>--------------</td>
<td>-------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>7</td>
<td>Zhongshan Le Taofang Department (中山乐坊百货企业有限公司)¹</td>
<td>Le Taofang Department Store (乐坊百货)</td>
<td>Department Store</td>
<td>April 2022</td>
<td>2.7</td>
</tr>
<tr>
<td>8</td>
<td>Zhongshan Qiming Fitness Co., Ltd (中山情鸣健身有限公司)</td>
<td>King Fitness Club (王者健身会所)</td>
<td>Sports &amp; Fitness</td>
<td>November 2029</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>March 2021</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>September 2021</td>
<td>1.6</td>
</tr>
<tr>
<td>9</td>
<td>Liu Zhaoyong (刘兆勇)</td>
<td>Yongcheng Communication (永成通讯)</td>
<td>Electronics</td>
<td>September 2021</td>
<td>2.2</td>
</tr>
<tr>
<td>10</td>
<td>Dasin Merchant Investment</td>
<td>Karaoke</td>
<td>Leisure &amp; Entertainment</td>
<td>March 2019</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Business Incubator</td>
<td>Business Incubator</td>
<td></td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Food &amp; Beverage</td>
<td>Food &amp; Beverage</td>
<td></td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.0</td>
</tr>
</tbody>
</table>

**Top 10 Tenants**: 41.7%

**Other Tenants**: 58.3%

**Total**: 100.0%

**Notes:**

1. Mr. Zhang Kaicheng, an associate of Mr. Zhang Zhencheng, the Chairman and Non-Executive Director of the Trustee-Manager, holds 19.0% of the interests in Zhongshan Youyuecheng Store Management Co., Ltd. (中山市优悦城百货管理有限公司) ("Youyuecheng Store Management"), with the remaining 81.0% held by third parties unrelated to the Zhang Family or the Sponsor.

Upon Youyuecheng Store Management’s lease expiry In Xiaolan Metro Mall on 25 September 2017, Xiaolan Xinduhui will lease the space to Dasin Merchant Investment, as the Xiaolan Master Lessee, under the Xiaolan Master Lease Agreement, which is for a tenure of 10 years, commencing from 26 September 2017. Dasin Merchant Investment is wholly-owned by the Zhang Vendors through Dasin Management and Investment. (See "Certain Agreements Relating to Dasin Retail Trust and the Properties – Xiaolan Master Lease Agreement" of this Prospectus for further details on the Xiaolan Master Lease Agreement.)

2. Mr. Zhang Zhongming, the Non-Executive Director of the Trustee-Manager, holds 17.1% of the interests in Zhongshan East Youyuecheng Store Management Co., Ltd (中山市东区优悦城百货管理有限公司), with the remaining 72.9% of the interests held by third parties unrelated to the Zhang Family or the Sponsor, and the remaining 10.0% of the interests held by Youyuecheng Store Management. (See Note (1) above for the shareholding structure of Youyuecheng Store Management.)

3. Mr. Zhang Zhongming, the Non-Executive Director of the Trustee-Manager, holds 30.0% of the interests in Zhongshan Jianmei Jane Eyre Home Furnishing Co., Ltd., Xiaolan Branch (中山市简美家居有限公司小榄分公司), with the remaining 70.0% of the interests held by third parties unrelated to the Zhang Family or the Sponsor. (See "Interested Person Transactions and Conflicts of Interest – Interested Person Transactions – Other Ongoing Interested Person Transactions – Lease of retail units in Xiaolan Metro Mall to Interested Persons" of this Prospectus for further details.)

4. Mr. Zhang Zhongming, the Non-Executive Director of the Trustee-Manager, holds 30.0% of the interests in Jian Mei Furniture Co., Ltd. (Donggu Branch) (中山市简美家居有限公司东区分公司) ("Jian Mei Furniture"), with the remaining 70.0% of the interests held by third parties unrelated to the Zhang Family or the Sponsor. (See "Interested Person Transactions and Conflicts of Interest – Interested Person Transactions – Other Ongoing Interested Person Transactions – Lease of retail units in Ocean Metro Mall to Interested Persons" of this Prospectus for further details.)
Zhongshan Yuan Yang Dasin Food Services Co., Ltd. ("Yuan Yang Dasin Food") is wholly owned by Zhongshan Dasin Food Services Co., Ltd. ("Dasin Food Services"), which has 80.0% of its interests held by Dasin Merchant Investment and the remaining 20.0% of its interests held by an independent third party unrelated to the Zhang Family or the Sponsor. Dasin Merchant Investment is wholly-owned by the Zhang Vendors through Dasin Management and Investment. As such, the lease of retail space in Ocean Metro Mall to Yuan Yang Dasin Food is an Interested Person Transaction. (See "Interested Person Transactions and Conflicts of Interest – Interested Person Transactions – Other Ongoing Interested Person Transactions – Lease of retail units in Ocean Metro Mall to Interested Persons" of this Prospectus for further details.)

Zhongshan Xiaolan Dasin Food Services Co., Ltd. ("Xiaolan Dasin Food") is wholly owned by Dasin Food Services, which has 80.0% of its interests held by Dasin Merchant Investment and the remaining 20.0% of its interests held by an independent third party unrelated to the Zhang Family or the Sponsor. Dasin Merchant Investment is wholly-owned by the Zhang Vendors through Dasin Management and Investment. As such, the lease of retail space in Xiaolan Metro Mall to Xiaolan Dasin Food is an Interested Person Transaction. (See "Interested Person Transactions and Conflicts of Interest – Interested Person Transactions – Other Ongoing Interested Person Transactions – Lease of retail units in Xiaolan Metro Mall to Interested Persons" of this Prospectus for further details.)

Yi Cai Dasin Food is wholly owned by Dasin Food Services, which has 80.0% of its interests held by Dasin Merchant Investment, which is wholly-owned by the Zhang Vendors through Dasin Management and Investment, and the remaining 20.0% of its interests held by an independent third party unrelated to the Zhang Family or the Sponsor. Dasin Merchant Investment is wholly-owned by the Zhang Vendors through Dasin Management and Investment. As such, the lease of retail space in Dasin E-Colour to Yi Cai Dasin Food is an Interested Person Transaction. (See "Interested Person Transactions and Conflicts of Interest – Interested Person Transactions – Other Ongoing Interested Person Transactions – Lease of retail units in Dasin E-Colour to Interested Persons" of this Prospectus for further details.)

Mr. Zhang Zhongming, the Non-Executive Director of the Trustee-Manager, holds 13.0% of the interests in Zhongshan Le Taofang Department (with the remaining 87.0% held by third parties unrelated to the Zhang Family or the Sponsor).

The tenancy profile of the Initial Portfolio is reasonably diversified, with no single tenant accounting for more than 10.0% of the Gross Rental Income.

**Lease Structure**

The graph below illustrates the breakdown of the Gross Rental Income in June 2016 and the NLA as at 30 June 2016 by the lease structure of the leases in the Initial Portfolio.

---

**Initial Portfolio**

(Breakdown of Gross Rental Income and NLA by lease structure)

---

<table>
<thead>
<tr>
<th>Gross Rental Income in June 2016 (RMB)</th>
<th>Net Lettable Area as at 30 June 2016 (sq m)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2%</strong></td>
<td><strong>4%</strong></td>
</tr>
<tr>
<td><strong>23%</strong></td>
<td><strong>48%</strong></td>
</tr>
<tr>
<td><strong>64%</strong></td>
<td><strong>46%</strong></td>
</tr>
<tr>
<td><strong>11%</strong></td>
<td><strong>4%</strong></td>
</tr>
</tbody>
</table>

- Pure Turnover Rent
- Higher of Base Rent or Turnover Rent
- Fixed Rent with Built-in Escalation
- Fixed Rent

---

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Lease Expiry Profile

For the Initial Portfolio, the WALE by committed NLA as at 30 June 2016 is 8.4 years, and the WALE by Gross Rental Income for the month of June 2016 is approximately 4.8 years. For the Initial Portfolio and Shiqi Metro Mall, the WALE by committed NLA as at 30 June 2016 is 7.4 years, and the WALE by Gross Rental Income for the month of June 2016 is approximately 4.4 years.

The leases at the Properties are generally for terms of three to five years. However, certain tenants have longer lease periods that expire between ten to twenty years. Such long-term lease periods provide income stability to the Initial Portfolio whilst ensuring a favourable tenant mix.

Certain leases have renewal options for further terms and such renewals are generally on like covenants as the original leases. As at 30 June 2016, approximately 14.7% of leases (by Gross Rental Income of the Initial Portfolio in June 2016) are expected to expire between July 2016 and December 2016, and this represents rental reversion potential for the Initial Portfolio.

The graphs below illustrate the lease expiry profile of the Initial Portfolio, and of the Initial Portfolio and Shiqi Metro Mall, by Gross Rental Income in June 2016 and by NLA as at 30 June 2016.

Initial Portfolio

![Lease Expiry Profile of the Initial Portfolio](image-url)
Initial Portfolio and Shiqi Metro Mall

Lease Expiry Profile of the Initial Portfolio and Shiqi Metro Mall

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI</td>
<td>15%</td>
<td>3%</td>
<td>16%</td>
<td>10%</td>
<td>16%</td>
<td>12%</td>
<td>10%</td>
<td>6%</td>
<td>5%</td>
<td>4%</td>
<td>38%</td>
<td>38%</td>
</tr>
<tr>
<td>NLA</td>
<td>6%</td>
<td>5%</td>
<td>4%</td>
<td>38%</td>
<td>66%</td>
<td>38%</td>
<td>66%</td>
<td>38%</td>
<td>66%</td>
<td>38%</td>
<td>66%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Notes:

“GRI” in the chart above represents the expiries by percentage of Gross Rental Income in June 2016.

“NLA” in the chart above represents the expiries by percentage of NLA as at 30 June 2016.


<table>
<thead>
<tr>
<th>No. of leases expiring as at 30 June 2016</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021 &amp; Beyond</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>75</td>
<td>89</td>
<td>75</td>
<td>26</td>
<td>11</td>
<td>37</td>
</tr>
</tbody>
</table>

The table below sets out the number of leases expiring in the Properties and Shiqi Metro Mall for FY2016, FY2017, FY2018, FY2019, FY2020 and FY2021 and beyond (based on the leases as at 30 June 2016).

<table>
<thead>
<tr>
<th>No. of leases expiring as at 30 June 2016</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021 &amp; Beyond</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>120</td>
<td>124</td>
<td>124</td>
<td>36</td>
<td>17</td>
<td>55</td>
</tr>
</tbody>
</table>

COMPETITION

According to CBRE, as of August 2016, several projects are currently in the planning stages or under construction and can be expected to be delivered to the Zhongshan retail market in the upcoming five years. Many of these retail properties will form part of larger mixed-use projects and will be of significant scale.

Further, according to CBRE, the majority of the future supply is being developed by new players to the local retail market and can be expected to be subject to a learning curve in terms of attracting popular retail brands and attaining the appropriate market positioning. One notable future project is Lihe Plaza Guzhen Branch being developed by Lihe International Group Co., Ltd.. The developer is seeking to leverage upon the success of its existing shopping mall in the Jinghua Area.
(See “Appendix F – Independent Market Research Report” of this Prospectus for further details on the competition faced by the Properties. See also “Competition – Xiaolan Metro Mall”, “Competition – Dasin E-Colour”, “Competition – Ocean Metro Mall” and “Competition – Shiqi Metro Mall” of this Prospectus for further information on the competition faced by each Property.)

XIAOLAN METRO MALL

No. 18 Shengping Middle Road, Xiaolan Town, Zhongshan, Guangdong Province, PRC
Description of Xiaolan Metro Mall

Xiaolan Metro Mall is a shopping mall located at No. 18 Shengping Middle Road, Xiaolan Town, Zhongshan, Guangdong Province, PRC. It commenced operations in September 2005. It comprises a basement level of car park space and five levels above ground. It provides an array of leisure and entertainment and F&B choices, including a supermarket and a cinema.

The table below sets out a summary of selected information on Xiaolan Metro Mall.

<table>
<thead>
<tr>
<th>Property</th>
<th>Xiaolan Metro Mall</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td>No. 18 Shengping Middle Road, Xiaolan Town, Zhongshan, Guangdong Province, PRC (中山市小榄镇升平中路18号)</td>
</tr>
<tr>
<td><strong>Date of Commencement of Operations</strong></td>
<td>September 2005</td>
</tr>
<tr>
<td><strong>Expiry Date of Land Use Rights</strong></td>
<td>1 April 2043</td>
</tr>
<tr>
<td><strong>Number of Floors</strong></td>
<td>Six floors (including one basement floor)</td>
</tr>
<tr>
<td><strong>GFA</strong> (sq m)</td>
<td>108,690.3 (including car park space of 20,455.2)</td>
</tr>
<tr>
<td><strong>NLA (sq m)</strong></td>
<td>77,746.6</td>
</tr>
<tr>
<td><strong>Number of Tenancies as at 30 June 2016</strong></td>
<td>136</td>
</tr>
<tr>
<td><strong>Occupancy Rate as at 30 June 2016 (%)</strong></td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Car Park Lots</strong></td>
<td>626</td>
</tr>
<tr>
<td><strong>Net Property Income Contribution for</strong></td>
<td>91.9 for Forecast Year 2017</td>
</tr>
<tr>
<td><strong>Forecast Year 2017 and Projection Year 2018</strong></td>
<td>106.2 for Projection Year 2018</td>
</tr>
<tr>
<td><strong>Valuation as at 30 June 2016 (with the Master Lease Agreements) (RMB million)</strong></td>
<td>Savills: 2,411 Colliers: 2,272</td>
</tr>
<tr>
<td><strong>Valuation as at 30 June 2016 (without the Master Lease Agreements) (RMB million)</strong></td>
<td>Savills: 2,380 Colliers: 2,307</td>
</tr>
<tr>
<td><strong>Implied Acquisition Price (RMB million)</strong></td>
<td>1,580(2)</td>
</tr>
<tr>
<td><strong>WALE by committed NLA as at 30 June 2016 (years)</strong></td>
<td>6.0</td>
</tr>
<tr>
<td><strong>WALE by Gross Rental Income for the month of June 2016 (years)</strong></td>
<td>3.9</td>
</tr>
</tbody>
</table>

Notes:
(1) Based on the Building Ownership Certificates. (See "Certain Defined Terms and Convention" of this Prospectus for details regarding the computation of GFA.)
(2) The implied acquisition price of Xiaolan Metro Mall is based on the average of the two independent valuations of Xiaolan Metro Mall as at 30 June 2016, and determined on a willing-seller and willing-buyer basis taking into consideration the Offering Price which includes the Underwriting, Selling and Management Commission, as well as other estimated offering expenses.

Location and Trade Area

**Location**

Xiaolan Metro Mall is located at the intersection of Shengping Middle Road and Min’an Middle Road in the Xiaolan District, approximately 20.0 km to the northwest of the Zhongshan core urban area.
Min’an Middle Road is one of the major north-south traffic arteries for the Xiaolan District while Shengping Road runs east-west and serves the immediate area around the Property. The Property is well served by various other public roads that extend to other districts of Zhongshan, and is only 1.2 km west of the Xiaolan Bus Station.

According to CBRE, in addition to being well served by the road network, the Property is also very well served by numerous local public bus routes, including one which stops directly in front of the Xiaolan Metro Mall.

(See “Appendix F – Independent Market Research Report” of this Prospectus for further details on the location of Xiaolan Metro Mall.)

**Primary Trade Area**

Xiaolan Metro Mall is positioned as a shopping mall targeted at local residents. There are some high density residential communities to the southeast and southwest and the residents can easily access Xiaolan Metro Mall by Jucheng Avenue and Min’an Road. Hence the border of primary trade area is considered to extend to 2.0 km southeast and 3.0 km southwest from Xiaolan Metro Mall.

There are several large scale residential communities within the primary trade area, namely, Jinju Garden, Yinju Garden, and Longshan Mansion.

The public transportation of the primary trade area is relatively mature. Xiaolan Bus Station which is located 1.0 km east from Xiaolan Metro Mall, provides routes to Zhongshan’s other major districts and nearby cities.

500.0 metres to the west of Xiaolan Metro Mall is Xiaolan Gymnasium, which generally attracts residents to the area. Xiaolan Town Government is located 300.0 metres to the east of Xiaolan Metro Mall, the staff of which account for a portion of target consumers. Zhongshan Xiaolan Middle School, located 3.0 km to the southwest from Xiaolan Metro Mall, has over 3,000 students and staffs which, together with the families, are considered part of the target customers.

Seaport City, a 260,000.0 sq m mixed-use project currently under construction, is located 1.0 km northeast from Xiaolan Metro Mall. The project is planned to comprise office and retail components and is expected to be completed in 2017.

(See “Appendix F – Independent Market Research Report” of this Prospectus for further details on the primary trade area of Xiaolan Metro Mall.)

**Secondary Trade Area**

There are several high density residential communities to the south of Xiaolan Metro Mall, and there are no existing major retail properties considered as competitors in the secondary trade area. Therefore the border of secondary trade area is considered to extend 8.0 km southeast of Xiaolan Metro Mall.

The railway that connects Zhongshan with Jiangmen, Foshan and other cities runs through the secondary trade area.

(See “Appendix F – Independent Market Research Report” of this Prospectus for further details on the secondary trade area of Xiaolan Metro Mall.)
Trade Sector Analysis

Breakdown of NLA by trade sector as at 30 June 2016

The chart below provides a breakdown of NLA by the different trade sectors represented in Xiaolan Metro Mall as at 30 June 2016.

Note:
“Others” include sports & fitness, and gifts & specialties.

Breakdown of Gross Rental Income by trade sector for the month of June 2016

The chart below provides a breakdown of Gross Rental Income by the different trade sectors represented in Xiaolan Metro Mall for the month of June 2016.

Note:
“Others” include sports & fitness, and gifts & specialties.
Xiaolan Metro Mall’s top 10 tenants contributed 48.0% of Xiaolan Metro Mall’s Gross Rental Income for the month of June 2016 and have a WALE by committed NLA of 6.2 years as at 30 June 2016.

The following table sets out selected information on the top 10 tenants for Xiaolan Metro Mall by Gross Rental Income for the month of June 2016.

<table>
<thead>
<tr>
<th>No.</th>
<th>Tenant</th>
<th>Name of Retailer</th>
<th>Trade Sector</th>
<th>Lease Expiry</th>
<th>Percentage of Gross Rental Income of Xiaolan Metro Mall (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kunshan Runhua Business Co., Ltd. Xiaolan Branch</td>
<td>RT-Mart (大润发超市)</td>
<td>Supermarket</td>
<td>September 2025</td>
<td>7.8</td>
</tr>
<tr>
<td>2</td>
<td>Zhongshan Youyuecheng Store Management Co., Ltd (中山市优怡城百货管理有限公司)</td>
<td>Superior City Department Store (优怡城百货)</td>
<td>Departmental Store</td>
<td>September 2017</td>
<td>7.3</td>
</tr>
<tr>
<td>3</td>
<td>Zhongshan Jianmei Jane Eyre Home Furnishing Co., Ltd Xiaolan Branch</td>
<td>Jane Eyre Furniture Mall (简爱家居)</td>
<td>Furniture</td>
<td>April 2024</td>
<td>6.1</td>
</tr>
<tr>
<td>4</td>
<td>Xiaolan Town Of Zhongshan City Dong Du Entertainment Co., Ltd</td>
<td>Dong Du Hui Nightclub (东都会夜总会)</td>
<td>Leisure &amp; Entertainment</td>
<td>January 2020</td>
<td>5.4</td>
</tr>
<tr>
<td>5</td>
<td>Xiaolan Dasin Food (3)</td>
<td>Xin Xuan Hotel Restaurant (倍轩酒楼)</td>
<td>Food &amp; Beverage</td>
<td>April 2026</td>
<td>4.3</td>
</tr>
<tr>
<td>6</td>
<td>Zhongshan Le Taofang Department (中山市乐淘坊百货企业管理有限公司)</td>
<td>Le Taofang Department Store (乐淘坊百货)</td>
<td>Departmental Store</td>
<td>April 2022</td>
<td>4.3</td>
</tr>
<tr>
<td>7</td>
<td>Zhongshan Suning Co., Ltd (中山苏宁云商商贸有限公司)</td>
<td>Suning Electronics (苏宁电器)</td>
<td>Electronics</td>
<td>June 2018</td>
<td>3.6</td>
</tr>
<tr>
<td>8</td>
<td>Liu Zhaoyong (刘兆勇)</td>
<td>Yongcheng Communication (永成通讯)</td>
<td>Electronics</td>
<td>September 2021</td>
<td>3.4</td>
</tr>
<tr>
<td>9</td>
<td>Bank of China Co., Ltd. Zhongshan Branch (中国银行股份有限公司中山分行)</td>
<td>Bank of China (中国银行)</td>
<td>Banking Services</td>
<td>August 2025</td>
<td>3.2</td>
</tr>
<tr>
<td>10</td>
<td>Liang Xianhuan (梁姍欢)</td>
<td>New Balance Sports City (新动感运动城)</td>
<td>Apparel</td>
<td>May 2022</td>
<td>2.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Langham Place (朗豪坊)</td>
<td></td>
<td>July 2019</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Anta Sports (安踏)</td>
<td></td>
<td>October 2017</td>
<td></td>
</tr>
</tbody>
</table>

**Top 10 Tenants** 48.0%

**Other Tenants** 52.0%

**Total** 100.0%
Notes:

(1) Mr. Zhang Kaicheng, as an associate of Mr. Zhang Zhenchen, the Chairman and Non-Executive Director of the Trustee-Manager, holds 19.0% of the interests in Youyuecheng Store Management, with the remaining 81.0% held by third parties unrelated to the Zhang Family or the Sponsor.

Upon Youyuecheng Store Management’s lease expiry on 25 September 2017, Xiaolan Xinduhui will lease the space to Dasin Merchant Investment, as the Xiaolan Master Lessee, under the Xiaolan Master Lease Agreement, which is for a tenure of 10 years, commencing from 26 September 2017. Dasin Merchant Investment is wholly-owned by the Zhang Vendors through Dasin Management and Investment. (See “Certain Agreements Relating to Dasin Retail Trust and the Properties – Xiaolan Master Lease Agreement” of this Prospectus for further details on the Xiaolan Master Lease Agreement.)

(2) Mr. Zhang Zhongming, the Non-Executive Director of the Trustee-Manager, holds 30.0% of the interests in Zhongshan Jianmei Jane Eyre Home Furnishing Co., Ltd Xiaolan Branch (中山市简美家居有限公司小榄分公司), with the remaining 70.0% of the interests held by third parties unrelated to the Zhang Family or the Sponsor. (See “Interested Person Transactions and Conflicts of Interest – Interested Person Transactions – Other Ongoing Interested Person Transactions – Lease of retail units in Xiaolan Metro Mall to Interested Persons” of this Prospectus for further details.)

(3) Xiaolan Dasin Food is wholly owned by Dasin Food Services, which has 80.0% of its interests held by Dasin Merchant Investment and the remaining 20.0% of its interests held by an independent third party unrelated to the Zhang Family or the Sponsor. Dasin Merchant Investment is wholly-owned by the Zhang Vendors through Dasin Management and Investment. As such, the lease of retail space in Xiaolan Metro Mall to Xiaolan Dasin Food is an Interested Person Transaction. (See “Interested Person Transactions and Conflicts of Interest – Interested Person Transactions – Other Ongoing Interested Person Transactions – Lease of retail units in Xiaolan Metro Mall to Interested Persons” of this Prospectus for further details.)

(4) Mr. Zhang Zhongming, the Non-Executive Director of the Trustee-Manager, holds 13.0% of the interests in Zhongshan Le Taofang Department (中山市乐淘坊百货企业管理有限公司), with the remaining 87.0% held by third parties unrelated to the Zhang Family or the Sponsor.

Lease Structure

The graph below illustrates the breakdown of the Gross Rental Income in June 2016 and the NLA as at 30 June 2016 by the lease structure of the leases in Xiaolan Metro Mall.

Xiaolan Metro Mall
(Breakdown of Gross Rental Income and NLA by lease structure)
The graph below illustrates the lease expiry profile of Xiao lan Metro Mall by Gross Rental Income in June 2016 and by NLA as at 30 June 2016.

**Notes:**

“GRI” in the chart above represents the expiries by percentage of Gross Rental Income in June 2016.

“NLA” in the chart above represents the expiries by percentage of NLA as at 30 June 2016.

The table below sets out the number of leases expiring in Xiao lan Metro Mall for FY2016, FY2017, FY2018, FY2019, FY2020 and FY2021 and beyond (based on the leases as at 30 June 2016).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of leases expiring as at 30 June 2016</td>
<td>57&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>26</td>
<td>28</td>
<td>4</td>
<td>7</td>
</tr>
</tbody>
</table>

**Note:**

<sup>(1)</sup> As at the Latest Practicable Date, 56 of these leases have expired, out of which 55 have been renewed or have had replacement tenants found.

**Competition**

According to CBRE, there are at present four existing retail projects considered as competitors of Xiao lan Metro Mall. A total of two retail projects are expected to be launched within the main trade area in 2017, and can be considered Xiao lan Metro Mall’s future competitors.

The following table sets out the current and future competition faced by Xiao lan Metro Mall.

<table>
<thead>
<tr>
<th>Name</th>
<th>Distance from Xiao lan Metro Mall (km)</th>
<th>Retail GFA (sq m)</th>
<th>Completion Date/Expected Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Existing Competitors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shunchang Department Store</td>
<td>0.2</td>
<td>50,000.0</td>
<td>2002</td>
</tr>
<tr>
<td>118 Xiangming Square</td>
<td>0.3</td>
<td>33,536.9</td>
<td>2014</td>
</tr>
<tr>
<td>Parkway Plaza</td>
<td>2.6</td>
<td>120,000.0</td>
<td>2015</td>
</tr>
<tr>
<td>Longshan Shopping Centre</td>
<td>0.9</td>
<td>55,000.0</td>
<td>2016</td>
</tr>
</tbody>
</table>
### Future Competitors

<table>
<thead>
<tr>
<th>Name</th>
<th>Distance from Xiaolan Metro Mall (km)</th>
<th>Retail GFA (sq m)</th>
<th>Completion Date/Expected Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seaport City Phase 1</td>
<td>1.0</td>
<td>90,000.0</td>
<td>2017</td>
</tr>
<tr>
<td>Seaport City Phase 2</td>
<td>1.0</td>
<td>30,000.0</td>
<td>2017</td>
</tr>
</tbody>
</table>

**Source:** CBRE, Independent Market Research Report

(See “Appendix F – Independent Market Research Report” of this Prospectus for further details.)

### Information Regarding the Title of Xiaolan Metro Mall

The table below sets out some particulars of the State-owned Land Use Right Certificates for Xiaolan Metro Mall.

<table>
<thead>
<tr>
<th>State-owned Land Use Right Certificate No.</th>
<th>Issuer</th>
<th>Issue Date</th>
<th>Owner</th>
<th>Location</th>
<th>Type of Use Right</th>
<th>Land Area (sq m)</th>
<th>Term of Land Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zhong Fu Guo Yong (2013) No. 0500764, 0500704, 0500979, 0500829, 0500980, 0500823, 0500824, 0500862, 0500953, 0500870, 0500825, 0500863</td>
<td>Government of Zhongshan City</td>
<td>June 2013 to August 2013</td>
<td>Zhongshan Xinrui Commercial Management Co., Ltd.</td>
<td>No. 18 Shengping Middle Road, Xiaolan Town, Zhongshan, Guangdong Province, PRC</td>
<td>Granted</td>
<td>27,061.7</td>
<td>Until 1 April 2043</td>
</tr>
</tbody>
</table>

**OCEAN METRO MALL**

No. 28 Boai Six Road, Dongqu District, Zhongshan, Guangdong Province, the PRC
**Description of Ocean Metro Mall**

Ocean Metro Mall is a shopping mall located at No. 28 Boai Six Road, Dongqu District, Zhongshan, Guangdong Province, PRC. It commenced operations in December 2014.

It comprises three basement levels of car park space and five levels above ground. Ocean Metro Mall provides an array of retail, F&B and entertainment and cultural choices, which include a supermarket, a furniture shop, cinemas, a fitness centre and a karaoke outlet. Ocean Metro Mall attracts mainly students from the schools located in the vicinity, residents from the nearby residential communities, employees working in the office buildings nearby and the visitors of the nearby convention centre.

The table below sets out a summary of selected information on Ocean Metro Mall.

<table>
<thead>
<tr>
<th>Property</th>
<th>Ocean Metro Mall</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td>No. 28 Boai Six Road, Dongqu District, Zhongshan, Guangdong Province, PRC (中山东区博爱六路28号)</td>
</tr>
<tr>
<td><strong>Date of Commencement of Operations</strong></td>
<td>December 2014</td>
</tr>
<tr>
<td><strong>Expiry Date of Land Use Rights</strong></td>
<td>21 February 2046</td>
</tr>
<tr>
<td><strong>Number of Floors</strong></td>
<td>Eight floors (including three basement floors)</td>
</tr>
<tr>
<td><strong>GFA (sq m)</strong></td>
<td>180,338.0 (including car park space of 94,343.1)</td>
</tr>
<tr>
<td><strong>NLA (sq m)</strong></td>
<td>66,895.1</td>
</tr>
<tr>
<td><strong>Number of Tenancies as at 30 June 2016</strong></td>
<td>132</td>
</tr>
</tbody>
</table>
### Occupancy Rate as at 30 June 2016 (%)

99.5

### Car Park Lots

1,991

### Net Property Income Contribution for Forecast Year 2017 and Projection Year 2018 (RMB million)

- 47.0 for Forecast Year 2017
- 56.9 for Projection Year 2018

### Valuation as at 30 June 2016 (RMB million)

- Savills: 2,013
- Colliers: 1,780

### Implied Acquisition Price (RMB million)

1,280\(^{(2)}\)

### WALE by committed NLA as at 30 June 2016 (years)

11.9

### WALE by Gross Rental Income for the month of June 2016 (years)

6.9

**Notes:**

1. Based on the Building Ownership Certificates. (See “Certain Defined Terms and Convention” of this Prospectus for details regarding the computation of GFA.)

2. The implied acquisition price of Ocean Metro Mall is based on the average of the two independent valuations of Ocean Metro Mall as at 30 June 2016, and determined on a willing-seller and willing-buyer basis taking into consideration the Offering Price which includes the Underwriting, Selling and Management Commission, as well as other estimated offering expenses.

### Location and Trade Area

#### Location

Ocean Metro Mall is located at the intersection of Boai Road and Bolan Road in the Dongqu District, within the core urban area of Zhongshan.

Qiwan Road and Changjiang Road are two of the main traffic arteries connecting north-south in the Dongqu District, while Boai Road is considered the major east-west traffic artery cutting across the Dongqu District, serving the immediate area around the Property. Boai Road and Xingwen Road are connected by various minor roads, including Xingzheng Road, Changmingshuichangyi Road, and Bolan Road (where the Property is located).

According to CBRE, in addition to being well served by the road networks, there are numerous local public bus routes in close proximity to the Property, including one which stops directly in front of the Ocean Metro Mall and free shuttle buses provided by the management of Ocean Metro Mall.

(See “Appendix F – Independent Market Research Report” of this Prospectus for further details on the location of Ocean Metro Mall.)

#### Primary Trade Area

Ocean Metro Mall is positioned as a mid-to mid-upper tier shopping mall, providing an integrated shopping experience, including retail, F&B, and entertainment. The target consumer groups are mainly students and residents from the nearby districts.

The primary trade area is characterised by a concentration of good quality residential communities. Ocean City residential community is located to the southwest of Ocean Metro Mall, consisting of apartment buildings and villas.
There are two high schools and two professional schools located within the primary trade area. The students and staff from these schools account for a significant portion of the target consumer group.

To the west of Ocean Metro Mall, there is the China (Zhongshan) Light Industry Expo Center, a public infrastructure with a GFA of 110,000.0 sq m and more than 1,000 car park lots. The expo centre has the potential to attract heavy footfall to the area when events are held. A decathlon store is located in the expo centre’s supporting retail area, facing Ocean Metro Mall. It is the largest sporting goods retailer in the area and attracts considerable footfall.

The 88.5-acre Zimaling Park, which is located to the north of Ocean Metro Mall, attracts visitors from the surrounding area and nearby districts on a daily basis.

In addition, Ocean Metro Mall operates six free shuttle bus routes extending to other districts and towns, which provide easy access for local residents in those respective areas.

(See “Appendix F – Independent Market Research Report” of this Prospectus for further details on the primary trade area of Ocean Metro Mall.)

**Secondary Trade Area**

The north and west portions of the secondary trade area have a relatively higher population density as compared with the other portions. There are several high quality mature residential communities as well as several new projects which recently entered the market. Existing high quality residential properties include Langrun Park developed by Vanke, and Ocean City developed by Sino-Ocean Land, both located to the west of the mall, as well as the Woodland Rose Garden developed by Sun Hung Kai Properties, which is located to the north. Purchasing power is considered relatively high as compared with the overall city average.

The north and west portions of the secondary trade area also comprise the highest density of high quality office buildings in Zhongshan, such as Dadongyu International Plaza, the Summit and Lihe Plaza. The employees working in these office buildings also account for a substantial proportion of the target consumer group of the mall.

The north and west portions of the secondary trade area have relatively mature infrastructure and a convenient public transportation system. Zhongshan Train Station is located at about 4.8 km to the north of the mall, and also connects to the Guangzhou-Macau highway. Metro Line 1, which is estimated to be completed by 2020 is planned to run to the north of the secondary trade area, and will also connect to the Zhongshan Train Station. The bus rapid transport route also runs through the north part of the secondary trade area.

Sunwen Memorial Park and Zhongshan Gymnasium are located 3.1 km to the west of the mall. Both public facilities can be expected to attract consumers to the trade area.

(See “Appendix F – Independent Market Research Report” of this Prospectus for further details on the secondary trade area of Ocean Metro Mall.)
Trade Sector Analysis

Breakdown of NLA by trade sector as at 30 June 2016

The chart below provides a breakdown of NLA by the different trade sectors represented in Ocean Metro Mall as at 30 June 2016.

![Chart](image)

Note:
“Others” include pharmacy, warehouse, new energy vehicle, education/school, gifts & specialties, floral, water purification equipment, ATM, travel agency and sports lottery.

Breakdown of Gross Rental Income by trade sector for the month of June 2016

The chart below provides a breakdown of Gross Rental Income of the different trade sectors represented in Ocean Metro Mall for the month of June 2016.

![Chart](image)

Note:
“Others” include pharmacy, warehouse, new energy vehicle, education/school, gifts & specialties, floral, water purification equipment, ATM, travel agency and sports lottery.
Top 10 Tenants

Ocean Metro Mall’s top 10 tenants contributed 56.6% of Ocean Metro Mall’s Gross Rental Income for the month of June 2016 and have a WALE by committed NLA of 11.0 years as at 30 June 2016.

The following table sets out selected information on the top 10 tenants for Ocean Metro Mall by Gross Rental Income for the month of June 2016.

<table>
<thead>
<tr>
<th>No.</th>
<th>Tenant</th>
<th>Name of Retailer</th>
<th>Trade Sector</th>
<th>Lease Expiry</th>
<th>Percentage of Gross Rental Income of Ocean Metro Mall (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Zhongshan East Youyuecheng Store Management Co., Ltd (中山市东区优越城百货管理有限公司)</td>
<td>Superior City Department Store (优越城百货)</td>
<td>Department Store</td>
<td>December 2029</td>
<td>16.4</td>
</tr>
<tr>
<td>2</td>
<td>Zhongshan Qiming Fitness Co., Ltd (中山鹏鸣健身有限公司)</td>
<td>King Fitness Club (王者健身会所)</td>
<td>Sports &amp; Fitness</td>
<td>November 2029</td>
<td>9.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>March 2021</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5.5</td>
</tr>
<tr>
<td>3</td>
<td>Jian Mei Furniture Co., Ltd (Donggu Branch) (中山市简美家居有限公司东区分公司)</td>
<td>Jane Eyre Furniture Mall (简爱家居)</td>
<td>Furniture</td>
<td>September 2017</td>
<td>7.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>September 2024</td>
<td>7.8</td>
</tr>
<tr>
<td>4</td>
<td>Yuan Yang Dasin Food (中山市元阳餐饮有限公司)</td>
<td>Xin Xuan Hotel Restaurant (信轩酒楼)</td>
<td>Food &amp; Beverage</td>
<td>November 2024</td>
<td>6.2</td>
</tr>
<tr>
<td>5</td>
<td>Zhongshan Star Sport Food and Entertainment Co., Ltd (中山市星运动餐饮娱乐中心)</td>
<td>Star Sport KTV (星运动KTV)</td>
<td>Leisure &amp; Entertainment</td>
<td>December 2024</td>
<td>5.2</td>
</tr>
<tr>
<td>6</td>
<td>Zhongshan Jinyi Movie Co., Ltd (中山市金逸电影城有限公司)</td>
<td>Jinyi Cinema (金逸影院)</td>
<td>Leisure &amp; Entertainment</td>
<td>September 2034</td>
<td>3.3</td>
</tr>
<tr>
<td>7</td>
<td>Zhongshan Suning Co., Ltd (中山苏宁云商商贸有限公司)</td>
<td>Suning Electronics (苏宁电器)</td>
<td>Electronics</td>
<td>December 2024</td>
<td>3.1</td>
</tr>
<tr>
<td>8</td>
<td>Zhu Weiqi (朱伟基)</td>
<td>Western Grill Restaurant (盈家西餐扒房)</td>
<td>Food &amp; Beverage</td>
<td>December 2024</td>
<td>2.5</td>
</tr>
<tr>
<td>9</td>
<td>Huang Xiaojie (黄晓洁)</td>
<td>Silk Boutique (百丝生活馆)</td>
<td>Apparel</td>
<td>November 2017</td>
<td>1.6</td>
</tr>
<tr>
<td>10</td>
<td>Zhongshan Xinrui Education and Training Co., Ltd. (中山市新瑞教育培训有限公司)</td>
<td>Zhongshan Xinrui Education and Training (新瑞教育培训)</td>
<td>Education &amp; Training</td>
<td>November 2020</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Top 10 Tenants 56.6
Other Tenants 43.4
Total 100.0
Notes:

(1) Mr. Zhang Zhongming, the Non-Executive Director of the Trustee-Manager, holds 17.1% of the interests in Zhongshan East Youyuecheng Store Management Co., Ltd, with the remaining 72.9% of the interests held by third parties unrelated to the Zhang Family or the Sponsor, and the remaining 10.0% of the interests held by Youyuecheng Store Management. Mr. Zhang Kaicheng, as an associate of Mr. Zhang Zhencheng, the Chairman and Non-Executive Director of the Trustee-Manager, holds 19.0% of the interests in Youyuecheng Store Management, with the remaining 81.0% held by third parties unrelated to the Zhang Family or the Sponsor.

(2) Mr. Zhang Zhongming, the Non-Executive Director of the Trustee-Manager, holds 30.0% of the interests in Jian Mei Furniture, with the remaining 70.0% of the interests held by third parties unrelated to the Zhang Family or the Sponsor. (See "Interested Person Transactions and Conflicts of Interest – Interested Person Transactions – Other Ongoing Interested Person Transactions – Lease of retail units in Ocean Metro Mall to Interested Persons" of this Prospectus for further details.)

(3) Yuan Yang Dasin Food is wholly owned by Dasin Food Services, which has 80.0% of its interests held by Dasin Merchant Investment and the remaining 20.0% of its interests held by an independent third party unrelated to the Zhang Family or the Sponsor. Dasin Merchant Investment is wholly-owned by the Zhang Vendors through Dasin Management and Investment. As such, the lease of retail unit in Ocean Metro Mall to Yuan Yang Dasin Food is an Interested Person Transaction. (See "Interested Person Transactions and Conflicts of Interest – Interested Person Transactions – Other Ongoing Interested Person Transactions – Lease of retail units in Ocean Metro Mall to Interested Persons" of this Prospectus for further details.)

Lease Structure

The graph below illustrates the breakdown of the Gross Rental Income in June 2016 and the NLA as at 30 June 2016 by the lease structure of the leases in Ocean Metro Mall.
Lease Expiry Profile

The graph below illustrates the lease expiry profile of Ocean Metro Mall by Gross Rental Income in June 2016 and by NLA as at 30 June 2016.

Notes:

“GRI” in the chart above represents the expiries by percentage of Gross Rental Income in June 2016.

“NLA” in the chart above represents the expiries by percentage of NLA as at 30 June 2016.

The table below sets out the number of leases expiring in Ocean Metro Mall for FY2016, FY2017, FY2018, FY2019, FY2020 and FY2021 and beyond (based on the leases as at 30 June 2016).

<table>
<thead>
<tr>
<th>No. of leases expiring as at 30 June 2016</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021 &amp; Beyond</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) As at the Latest Practicable Date, 10 of these leases have expired, for which all of these 10 leases have been renewed or have had replacement tenants found. Out of the remaining seven leases which have not expired as at the Latest Practicable Date, six have been renewed or have had replacement tenants found.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A high proportion of leases expire in FY2017. This is because Ocean Metro Mall commenced operations in December 2014, with many small tenants leasing shop units in the Property. The average length of lease periods for small tenants typically ranges between two to three years and it is expected that by the end of FY2017, Ocean Metro Mall will be more mature and majority of the leases are expected to be renewed at higher rates.

Competition

According to CBRE, there are at present no major direct competitors within the main trade area. The properties that are considered to form limited competition are located just outside of the border of the secondary trade area, to the west of Ocean Metro Mall. However, there are two good quality retail projects expected to be launched in 2018 near Ocean Metro Mall, and can be considered as Ocean Metro Mall’s competitors once they are completed.
The following table sets out the current and future competition faced by Ocean Metro Mall.

<table>
<thead>
<tr>
<th>Name</th>
<th>Distance from Ocean Metro Mall (km)</th>
<th>GFA (sq m)</th>
<th>Completion Date/Expected Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Existing Competitors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holiday Plaza</td>
<td>3.5</td>
<td>30,000.0</td>
<td>2005</td>
</tr>
<tr>
<td>Lihe Plaza</td>
<td>3.7</td>
<td>130,000.0</td>
<td>2012</td>
</tr>
<tr>
<td>Yihua Department Store</td>
<td>3.7</td>
<td>50,000.0</td>
<td>1995</td>
</tr>
<tr>
<td><strong>Future Competitors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perfect Eagle Plaza</td>
<td>3.5</td>
<td>100,000.0</td>
<td>2018</td>
</tr>
<tr>
<td>Skyline International Plaza</td>
<td>2.0</td>
<td>50,000.0</td>
<td>2018</td>
</tr>
</tbody>
</table>

*Source: CBRE, Independent Market Research Report*

(See “Appendix F – Independent Market Research Report” of this Prospectus for further details.)

**Information Regarding the Title of Ocean Metro Mall**

The table below sets out some particulars of the State-owned Land Use Right Certificates for Ocean Metro Mall.

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuer</td>
<td>Government of Zhongshan City</td>
</tr>
<tr>
<td>Issue Date</td>
<td>June 2015</td>
</tr>
<tr>
<td>Owner</td>
<td>Zhongshan Yuanxin Commercial Property Management Co., Ltd.</td>
</tr>
<tr>
<td>Location</td>
<td>No. 28 Boai Six Road, Dongqu District, Zhongshan, Guangdong Province, PRC</td>
</tr>
<tr>
<td>Type of Use Right</td>
<td>Granted</td>
</tr>
<tr>
<td>Land Area (sq m)(1)</td>
<td>14,367.0</td>
</tr>
<tr>
<td>Land Use</td>
<td>Commercial</td>
</tr>
<tr>
<td>Term of Land Use</td>
<td>Until 21 February 2046</td>
</tr>
</tbody>
</table>

**Note:**

(1) According to JunZeJun Law Offices, the State-owned Land Use Right Certificate for the space designated for civil air defence, which is also used as parking lots, cannot be issued under PRC laws.
Description of Dasin E-Colour

Dasin E-Colour is a nine-storey shopping mall which commenced operations in May 2015. It is located at South Tower, No. 4 Qitou New Village Longfeng Road, Shiqi District, Zhongshan, Guangdong Province, PRC.
Dasin E-Colour commenced operations in May 2015. It is a one-stop destination offering F&B, fashion, leisure and entertainment services. Part of the eighth and ninth levels houses a business incubator for students of the Electronic Science and Technology of China (Zhongshan Institute), which opened in December 2016. The entire seventh level, which is utilised for a karaoke and other entertainment facilities, commenced operations in November 2016. Dasin E-Colour’s target customer base is mainly the teacher and student population from a university in the vicinity, in particular, the youths.

The table below sets out a summary of selected information on Dasin E-Colour.

<table>
<thead>
<tr>
<th>Property</th>
<th>Dasin E-Colour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>South Tower, No. 4 Qitou New Village Longfeng Road, Shiqi District, Zhongshan, Guangdong Province, PRC (中山市石岐区岐头新村龙凤街4号南座)</td>
</tr>
<tr>
<td>Date of Commencement of Operations</td>
<td>May 2015</td>
</tr>
<tr>
<td>Expiry Date of Land Use Rights</td>
<td>28 July 2045</td>
</tr>
<tr>
<td>Number of Floors</td>
<td>Nine floors</td>
</tr>
<tr>
<td>GFA$^{(1)}$ (sq m)</td>
<td>25,856.6</td>
</tr>
<tr>
<td>NLA (sq m)</td>
<td>12,637.9</td>
</tr>
<tr>
<td>Number of Tenancies as at 30 June 2016</td>
<td>45</td>
</tr>
<tr>
<td>Occupancy Rate as at 30 June 2016 (%)</td>
<td>92.8</td>
</tr>
<tr>
<td>Car Park Lots</td>
<td>—$^{(2)}$</td>
</tr>
<tr>
<td>Net Property Income Contribution for Forecast Year 2017 and Projection Year 2018 (RMB million)</td>
<td>11.7 for Forecast Year 2017 13.6 for Projection Year 2018</td>
</tr>
<tr>
<td>Valuation as at 30 June 2016 (with the Master Lease Agreements) (RMB million)</td>
<td>Savills: 308  Colliers: 342</td>
</tr>
<tr>
<td>Valuation as at 30 June 2016 (without the Master Lease Agreements) (RMB million)</td>
<td>Savills: 308  Colliers: 349</td>
</tr>
<tr>
<td>Implied Acquisition Price (RMB million)</td>
<td>219$^{(3)}$</td>
</tr>
<tr>
<td>WALE by committed NLA as at 30 June 2016 (years)</td>
<td>5.0</td>
</tr>
<tr>
<td>WALE by Gross Rental Income for the month of June 2016 (years)</td>
<td>3.7</td>
</tr>
</tbody>
</table>

Notes:

(1) Based on the Building Ownership Certificates. (See “Certain Defined Terms and Convention” of this Prospectus for details regarding the computation of GFA.)

(2) The apartment block located next to Dasin E-Colour has approximately 654 public parking lots available over two floors, which shoppers at Dasin E-Colour can use. The apartment block was developed by the Sponsor and is directly connected to Dasin E-Colour via a link bridge.

(3) The implied acquisition price of Dasin E-Colour is based on the average of the two independent valuations of Dasin E-Colour as at 30 June 2016, and determined on a willing-seller and willing-buyer basis taking into consideration the Offering Price which includes the Underwriting, Selling and Management Commission, as well as other estimated offering expenses.
Location and Trade Area

Location

Dasin E-Colour is located in the Shiqi District, on the eastern side of Longteng Road, approximately 150.0 metres from the intersection of Longteng Road and Fukang Road within the core urban area of Zhongshan.

Kanghua Road is the main traffic artery connecting the east and west of the district, and extends into the Haigang District to the northwest of the Property. Qiwan Road and Liantang Road are considered the major north-south traffic arteries cutting across the Shiqi District. Longjing Road (where the Property is located), and Fukang Road are minor roads serving the immediate area around the Property.

(See “Appendix F – Independent Market Research Report” of this Prospectus for further details on the location of Dasin E-Colour.)

Primary Trade Area

The southwestern portion of the primary trade area is the university with an estimated 20,000 students and staff in total. It covers approximately 0.4 sq km, including a large green space.

The northern portion of the primary trade area is characterised by relatively low population density due to a concentration of low-rise residential communities.

The eastern portion of the primary trade area has slightly higher population density given several high-rise residential projects.

(See “Appendix F – Independent Market Research Report” of this Prospectus for further details on the primary trade area of Dasin E-Colour.)

Secondary Trade Area

The current positioning of Dasin E-Colour is mainly targeted at students and nearby residents. Shiqi Metro Mall and Holiday Plaza are located approximately 1.0 km west and south of Dasin E-Colour respectively. As they provide a broader selection of products and services, people living outside of the secondary trade area are less likely to travel to Dasin E-Colour, particularly given its limited choices and lack of differentiation in products and services.

The eastern portion of the secondary trade area is characterised by low density given its large concentration of low-rise apartments and numerous low-quality street front shops. Several warehouses are located in the northeastern corner of the secondary trade area, while Mushan Park is located in the southeastern corner.

The northern, western and southern portion of the secondary trade area has a relatively higher population density and more mature commercial environment, including several good grade office buildings, retail malls and hotels.

(See “Appendix F – Independent Market Research Report” of this Prospectus for further details on the secondary trade area of Dasin E-Colour.)
**Trade Sector Analysis**

*Breakdown of NLA by trade sector as at 30 June 2016*

The chart below provides a breakdown of NLA by the different trade sectors represented in Dasin E-Colour as at 30 June 2016.

![Chart showing breakdown of NLA by trade sector]

*Breakdown of Gross Rental Income by trade sector for the month of June 2016*

The chart below provides a breakdown of Gross Rental Income by the different trade sectors represented in Dasin E-Colour for the month of June 2016.

![Chart showing breakdown of Gross Rental Income by trade sector]

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Top 10 Tenants

Dasin E-Colour’s top 10 tenants contributed 79.3% of Dasin E-Colour’s Gross Rental Income for the month of June 2016 and have a WALE by committed NLA of 5.4 years as at 30 June 2016.

The following table sets out selected information on the top 10 tenants for Dasin E-Colour by Gross Rental Income for the month of June 2016.

<table>
<thead>
<tr>
<th>No.</th>
<th>Tenant</th>
<th>Name of Retailer</th>
<th>Trade Sector</th>
<th>Lease Expiry/ Cessation</th>
<th>Percentage of Gross Rental Income of Dasin E-Colour (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dasin Merchant Investment</td>
<td>Karaoke</td>
<td>Leisure &amp; Entertainment</td>
<td>March 2019</td>
<td>15.1 28.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Business Incubator</td>
<td>Business Incubator</td>
<td></td>
<td>7.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Food &amp; Beverage</td>
<td>Food &amp; Beverage</td>
<td></td>
<td>5.4</td>
</tr>
<tr>
<td>2</td>
<td>Xin He Property Investment(1)</td>
<td>Xin He Property (信和物业)</td>
<td>Department Store</td>
<td>March 2021</td>
<td>21.5</td>
</tr>
<tr>
<td>3</td>
<td>Zhongshan Qihuan Theatres Co., Ltd (中山市奇幻电影院有限公司)</td>
<td>Qihuan Theatres (奇幻电影院)</td>
<td>Leisure &amp; Entertainment</td>
<td>September 2029</td>
<td>6.6</td>
</tr>
<tr>
<td>4</td>
<td>Luo Jun (罗军)</td>
<td>25th Hour (二十五小时)</td>
<td>Import Goods Convenience Store</td>
<td>January 2017</td>
<td>5.0</td>
</tr>
<tr>
<td>5</td>
<td>Yi Cai Dasin Food(2)</td>
<td>Xin Xuan Tea House (信轩茶楼)</td>
<td>Food &amp; Beverage</td>
<td>February 2026</td>
<td>4.5</td>
</tr>
<tr>
<td>6</td>
<td>Zhuhai Heng Liang Ji Suan Co., Ltd. (珠海恒量计算机有限公司)</td>
<td>Heng Xing Internet Café (恒星网吧)</td>
<td>Leisure &amp; Entertainment</td>
<td>May 2022</td>
<td>4.4</td>
</tr>
<tr>
<td>7</td>
<td>Zhongshan Dasin New Meida Fitness Co., Ltd. (中山市大信新美达健身有限公司)</td>
<td>Fitness Today (今天健身所)</td>
<td>Sports &amp; Fitness</td>
<td>May 2022</td>
<td>3.4</td>
</tr>
<tr>
<td>8</td>
<td>Lin Zongyou (林宗友)</td>
<td>Ming Chuang You Pin (名创优品)</td>
<td>Department Store</td>
<td>March 2018</td>
<td>2.3</td>
</tr>
<tr>
<td>9</td>
<td>Zhong Jianqiang (钟健强)</td>
<td>Fei Kao Wu Rao (非烤勿扰)</td>
<td>Food &amp; Beverage</td>
<td>March 2020</td>
<td>2.0</td>
</tr>
<tr>
<td>10</td>
<td>Lu Yijian (卢宜坚)</td>
<td>Cai Die Xuan (采蝶轩)</td>
<td>Food &amp; Beverage</td>
<td>April 2020</td>
<td>1.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top 10 Tenants</th>
<th>79.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Tenants</td>
<td>20.7</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Notes:

(1) Xin He Property Investment is wholly owned by Zhongshan Dasin Xin He Commercial Co., Ltd. ("Xin He Commercial"), which has 63.0%, 2.0%, 18.0% and 17.0% of its interests held by Dasin Management and Investment, Zhongshan Xin He Commercial Chain Co., Ltd. ("Xin He Commercial Chain"), Mr. Zhang Kaicheng (an associate of Mr. Zhang Zhencheng, the Chairman and Non-Executive Director of the Trustee-Manager) and an independent third party unrelated to the Zhang Family or the Sponsor respectively. Dasin Management and Investment is wholly-owned by the Zhang Vendors. Xin He Commercial Chain has 37.5% and 50.0% of its interests held by Mr. Zhang Kaicheng and the Sponsor respectively, with the remaining 12.5% held by an independent third party unrelated to the Zhang Family or the Sponsor. (See “Interested Person Transactions and Conflicts of Interests – Interested Person Transactions – Other Ongoing Interested Person Transactions – (Lease of retail units in Dasin E-Colour to Interested Persons” of this Prospectus for further details.

(2) Yi Cai Dasin Food is wholly owned by Dasin Food Services, which has 80.0% of its interests held by Dasin Merchant Investment, which is wholly-owned by the Zhang Vendors through Dasin Management and Investment, and the remaining 20.0% of its interests held by an independent third party unrelated to the Zhang Family or the Sponsor. Dasin Merchant Investment is wholly-owned by the Zhang Vendors through Dasin Management and Investment. As such, the lease of retail space in Dasin E-Colour to Yi Cai Dasin Food is an Interested Person Transaction. (See “Interested Person Transactions and Conflicts of Interests – Interested Person Transactions – Other Ongoing Interested Person Transactions – Lease of retail units in Dasin E-Colour to Interested Persons” of this Prospectus for further details.)

Lease Structure

The graph below illustrates the breakdown of the Gross Rental Income in June 2016 and the NLA as at 30 June 2016 by the lease structure of the leases in Dasin E-Colour.

Dasin E-Colour

(Breakdown of Gross Rental Income and NLA by lease structure)
Lease Expiry Profile

The graph below illustrates the lease expiry profile of Dasin E-Colour by Gross Rental Income in June 2016 and by NLA as at 30 June 2016.

Notes:
“GRI” in the chart above represents the expiries by percentage of Gross Rental Income in June 2016.
“NLA” in the chart above represents the expiries by percentage of NLA as at 30 June 2016.


<table>
<thead>
<tr>
<th>No. of leases expiring as at 30 June 2016</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021 &amp; Beyond</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A high proportion of leases expire in FY2018. This is because Dasin E-Colour recently commenced operations in May 2015, with many small tenants leasing shop units in the Property. The average length of lease periods for small tenants is typically three years, and it is expected that by FY2018, Dasin E-Colour will be more mature and majority of the leases are expected to be renewed at higher rates.

Competition

According to CBRE, there are at present three retail malls considered as competitors of Dasin E-Colour. In addition, two projects are planned to be launched in 2018, and can be considered future competitors.
The following table sets out the current and future competition faced by Dasin E-Colour.

<table>
<thead>
<tr>
<th>Name</th>
<th>Distance from Dasin E-Colour (km)</th>
<th>GFA (sq m)</th>
<th>Completion Date/Expected Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Existing Competitors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holiday Plaza</td>
<td>1.2</td>
<td>30,000.0</td>
<td>2005</td>
</tr>
<tr>
<td>Shi Shang Mei Sha Department Store</td>
<td>0.9</td>
<td>15,000.0</td>
<td>2009</td>
</tr>
<tr>
<td>Shiqi Metro Mall</td>
<td>1.0</td>
<td>101,585.0</td>
<td>2004</td>
</tr>
<tr>
<td><strong>Future Competitor</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perfect Eagle Plaza</td>
<td>1.0</td>
<td>100,000.0</td>
<td>2018</td>
</tr>
<tr>
<td>Shiqi Metro Mall Phase 2</td>
<td>1.0</td>
<td>65,281.0</td>
<td>2018</td>
</tr>
</tbody>
</table>

Source: CBRE, Independent Market Research Report

(See “Appendix F – Independent Market Research Report” of this Prospectus for further details.)

Information Regarding the Title of Dasin E-Colour

The table below sets out some particulars of the State-owned Land Use Right Certificates for Dasin E-Colour.

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuer</td>
<td>Government of Zhongshan City</td>
</tr>
<tr>
<td>Issue Date</td>
<td>8 October 2013</td>
</tr>
<tr>
<td>Owner</td>
<td>Zhongshan Xinteng Commercial Management Co., Ltd.</td>
</tr>
<tr>
<td>Location</td>
<td>South Tower, No. 4 Qitou New Village Longfeng Road, Shiqi District, Zhongshan, Guangdong Province, PRC</td>
</tr>
<tr>
<td>Type of Use Right</td>
<td>Granted</td>
</tr>
<tr>
<td>Land Area (sq m)</td>
<td>4,421.4</td>
</tr>
<tr>
<td>Land Use</td>
<td>Commercial</td>
</tr>
<tr>
<td>Term of Land Use</td>
<td>Until 28 July 2045</td>
</tr>
</tbody>
</table>
Description of Shiqi Metro Mall

Shiqi Metro Mall is a shopping mall located at No. 2, South Dasin Road, Shiqi District, Zhongshan, Guangdong Province, PRC. It commenced operations in May 2004. It comprises two basement levels of car park space and five levels above ground, providing an array of retail, F&B, children stores and leisure and entertainment choices, which include a department store selling children’s products, cinemas and a karaoke outlet.

The table below sets out a summary of selected information on Shiqi Metro Mall.

<table>
<thead>
<tr>
<th>Property</th>
<th>Shiqi Metro Mall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>No. 2, South Dasin Road, Shiqi District, Zhongshan, Guangdong Province, PRC</td>
</tr>
<tr>
<td>Date of Commencement of Operations</td>
<td>May 2004</td>
</tr>
<tr>
<td>Expiry Date of Land Use Rights</td>
<td>27 July 2041(1)</td>
</tr>
<tr>
<td>Number of Floors</td>
<td>Seven floors (including two basement floors)</td>
</tr>
<tr>
<td>GFA(2) (sq m)</td>
<td>119,681.9 (including car park space of 18,096.8)</td>
</tr>
<tr>
<td>NLA (sq m)</td>
<td>86,351.8</td>
</tr>
<tr>
<td>Number of Tenancies as at 30 June 2016</td>
<td>163</td>
</tr>
<tr>
<td>Occupancy Rate as at 30 June 2016 (%)</td>
<td>98.8</td>
</tr>
<tr>
<td>Car Park Lots</td>
<td>545</td>
</tr>
<tr>
<td>Net Property Income Contribution for Forecast Year 2017 and Projection Year 2018 (RMB million)</td>
<td>49.6 for Forecast Year 2017 105.3 for Projection Year 2018</td>
</tr>
<tr>
<td>Valuation as at 30 June 2016 (RMB million)</td>
<td>Savills: 2,803.5 Colliers: 2,899</td>
</tr>
<tr>
<td>Implied Acquisition Price (RMB million)</td>
<td>1,224(3)</td>
</tr>
<tr>
<td>WALE by committed NLA as at 30 June 2016 (years)</td>
<td>5.5</td>
</tr>
<tr>
<td>WALE by Gross Rental Income for the month of June 2016 (years)</td>
<td>3.8</td>
</tr>
</tbody>
</table>

Notes:

(1) The expiry date of the land use right for Shiqi Metro Mall is 27 July 2041 (for commercial use) and 27 July 2071 (for residential use).

(2) Based on the Building Ownership Certificates. (See “Certain Defined Terms and Convention” of this Prospectus for details regarding the computation of GFA.)

(3) The implied acquisition price of Shiqi Metro Mall is based on the average of the two independent valuations of Shiqi Metro Mall as at 30 June 2016, and determined on a willing-seller and willing-buyer basis. Based on the implied acquisition price of Shiqi Metro Mall of RMB 1,224.0 million, the purchase consideration for Shiqi Holdco is approximately RMB 1,224.0 million.

For the avoidance of doubt, the Initial Portfolio does not include Shiqi Metro Mall as it will not be acquired by Dasin Retail Trust as at the Listing Date.
Location and Trade Area

Location

Shiqi Metro Mall is centrally located in the Shiqi District, at the intersection of Dasin South Road and Liantang Road, within the core urban area of Zhongshan.

Kanghua Road is the main traffic artery connecting the east and west of the district, and extends into the Haigang District to the northwest of the property. Qiwan Road and Liantang Road are considered the major north-south traffic arteries cutting across the district. Dasin South Road, Liantang Road and Liantang Road serve the immediate area around the property.

According to CBRE, in addition to being well served by the road network, the property is also well served by numerous local public bus routes, including one which stops directly in front of the Shiqi Metro Mall. Accessibility to and from the Shiqi Metro Mall is therefore considered to be excellent in the local context.

(See “Appendix F – Independent Market Research Report” of this Prospectus for further details on the location of Shiqi Metro Mall.)

Primary Trade Area

Shiqi Metro Mall is a mid-end positioned regional mall with a broad ranging trade mix primarily targeting mid-income households in the Zhongshan core urban area.

The southern and eastern portion of the primary trade area is characterised by relatively higher population density due to a concentration of high-rise residential communities, schools and government offices. The University of Electronic Science and Technology of China (Zhongshan Institute) is also located to the southeast of Shiqi Metro Mall and has approximately 20,000 students and staff. Zhongshan Municipal Government is located approximately 2.0 km away from Shiqi Metro Mall.

(See “Appendix F – Independent Market Research Report of this Prospectus for further details on the primary trade area of Shiqi Metro Mall.)

Secondary Trade Area

The secondary trade area covers most of the core urban area of Zhongshan which comprises a large concentration of office, high-rise residential and retail projects. Population density and purchasing power within the secondary trade area are considered relatively high.

The western portion of the secondary trade area, including the Xiqu District and the Shiqi District, is characterised by high population density, approximately 3,800 and 7,900 persons per sq km respectively. The Xiqu District is the traditional logistics centre and commerce & trade centre. It has large concentration of hotels and lower quality retail facilities. The Shiqi District is the commercial and cultural centre of Zhongshan, having several established retail areas within the district.

The central portion of the secondary trade area is mostly comprised of the Dongqu District, which is characterised by lower population density due to green space in the southeast portion, although purchasing power for residents here is relatively high. The Dongqu District is also well known considering its concentration of good grade office buildings that are mostly occupied by financial, professional services and information technology companies.
The eastern portion of the secondary trade area is comprised of the Torch Hi-Tech Industrial Development Zone and is characterised by a large concentration of high-technology companies employing well-educated staff. Development of high-rise residential projects in the area is also significant.

**Source:** CBRE. (See “Appendix F – Independent Market Research Report” of this Prospectus for further details on the secondary trade area of Shiqi Metro Mall.)

**Trade Sector Analysis**

**Breakdown of NLA by trade sector as at 30 June 2016**

The chart below provides a breakdown of NLA by the different trade sectors represented in Shiqi Metro Mall as at 30 June 2016.

![Shiqi Metro Mall (Breakdown of NLA by trade sector)](image)

**Note:**

“Others” include education/school, services, pharmacy, sports & fitness, gifts & specialties, and books & stationery.
Breakdown of Gross Rental Income by trade sector for the month of June 2016

The chart below provides a breakdown of Gross Rental Income by the different trade sectors represented in Shiqi Metro Mall for the month of June 2016.

Shiqi Metro Mall
(Breakdown of June 2016 Gross Rental Income by trade sector)

Note:
"Others" include education/school, services, pharmacy, sports & fitness, gifts & specialties, and books & stationery.

Top 10 Tenants

Shiqi Metro Mall’s top 10 tenants contributed 57.5% of Shiqi Metro Mall’s Gross Rental Income for the month of June 2016 and have a WALE by committed NLA of 5.6 years as at 30 June 2016.

The following table sets out selected information on the top 10 tenants for Shiqi Metro Mall by Gross Rental Income for the month of 30 June 2016.

<table>
<thead>
<tr>
<th>No.</th>
<th>Tenant</th>
<th>Name of Retailer</th>
<th>Trade Sector</th>
<th>Lease Expiry</th>
<th>Percentage of Gross Rental Income of Shiqi Metro Mall (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Zhongshan Youyuecheng Store Management Co., Ltd (中山市优越城百货管理有限公司)</td>
<td>Superior City Department Store (优越城百货)</td>
<td>Department Store</td>
<td>April 2024</td>
<td>13.8</td>
</tr>
<tr>
<td>2</td>
<td>Zhongshan Jianmei Household Co., Ltd (中山市简美家居有限公司)</td>
<td>Jane Eyre Furniture Mall (简爱家居)</td>
<td>Furniture</td>
<td>May 2018</td>
<td>12.7</td>
</tr>
<tr>
<td>3</td>
<td>Tenant A (2)</td>
<td>- (2)</td>
<td>Electronics</td>
<td>April 2019</td>
<td>9.3</td>
</tr>
<tr>
<td>4</td>
<td>Kunshan Runhua Business Co., Ltd. Zhongshan Branch (昆山润华商业有限公司中山分公司)</td>
<td>RT-Mart (大润发超市)</td>
<td>Supermarket</td>
<td>March 2024</td>
<td>6.8</td>
</tr>
<tr>
<td>No.</td>
<td>Tenant</td>
<td>Name of Retailer</td>
<td>Trade Sector</td>
<td>Lease Expiry</td>
<td>Percentage of Gross Rental Income of Shiqi Metro Mall (%)</td>
</tr>
<tr>
<td>-----</td>
<td>--------</td>
<td>-----------------</td>
<td>--------------</td>
<td>--------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>5</td>
<td>Zhongshan Baby Love Island Children's Department Store Co., Ltd (中山市爱婴岛儿童百货有限公司)</td>
<td>Baby Love Island Store (爱婴岛儿童百货)</td>
<td>Department Store</td>
<td>December 2017</td>
<td>3.5</td>
</tr>
<tr>
<td>6</td>
<td>Zhongshan Xintianji Communication Co., Ltd (中山市新天际众达通信发展有限公司)</td>
<td>Zhong Da Communications (众达通信)</td>
<td>Electronics</td>
<td>October 2017</td>
<td>3.0</td>
</tr>
<tr>
<td>7</td>
<td>Zhongshan Shiqi Dasin Catering Service Co., Ltd (中山市石岐大信餐饮服务有限公司)</td>
<td>Xin Xuan Wine Restaurant (信轩酒家)</td>
<td>Food &amp; Beverage</td>
<td>April 2024</td>
<td>2.6</td>
</tr>
<tr>
<td>8</td>
<td>Guangzhou Watsons Personal Shop Co., Ltd (广州屈臣氏个人用品商店有限公司)</td>
<td>Watsons (屈臣氏)</td>
<td>Department Store</td>
<td>March 2024</td>
<td>2.0</td>
</tr>
<tr>
<td>10</td>
<td>Zhongshan Jinyi Movie Co., Ltd (中山市金逸电影城有限公司)</td>
<td>Jinyi Cinema (金逸影院)</td>
<td>Leisure &amp; Entertainment</td>
<td>July 2025</td>
<td>1.8</td>
</tr>
</tbody>
</table>

**Top 10 Tenants**  57.5

**Other Tenants**  42.5

**Total**  100.0

**Notes:**

(1) Mr. Zhang Kaicheng, as an associate of Mr. Zhang Zhenchen, the Chairman and Non-Executive Director of the Trustee-Manager, holds 19.0% of the interests in Youyuecheng Store Management, with the remaining 81.0% held by third parties unrelated to the Zhang Family or the Sponsor.

(2) The name of Tenant A cannot be disclosed for confidentiality reasons as Tenant A has not consented to the disclosure of its tenancy arrangements in the Prospectus.
Lease Structure

The graph below illustrates the breakdown of the Gross Rental Income in June 2016 and the NLA as at 30 June 2016 by the lease structure of the leases in Shiqi Metro Mall.

Shiqi Metro Mall
(Breakdown of Gross Rental Income and NLA by lease structure)

Lease Expiry Profile

The graph below illustrates the lease expiry profile of Shiqi Metro Mall by Gross Rental Income in June 2016 and by NLA as at 30 June 2016.

Lease Expiry Profile of Shiqi Metro Mall

Notes:
“GRI” in the chart above represents the expiries by percentage of Gross Rental Income in June 2016.
“NLA” in the chart above represents the expiries by percentage of NLA as at 30 June 2016.
The table below sets out the number of leases expiring in Shiqi Metro Mall for FY2016, FY2017, FY2018, FY2019, FY2020 and FY2021 and beyond (based on the leases as at 30 June 2016).

<table>
<thead>
<tr>
<th>No. of leases expiring as at 30 June 2016</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021 &amp; Beyond</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>45(1)</td>
<td>35</td>
<td>49</td>
<td>10</td>
<td>6</td>
<td>18</td>
</tr>
</tbody>
</table>

Note:
(1) Out of the 45 leases which have expired as at the Latest Practicable Date, 39 have been renewed or have had replacement tenants found.

**Competition**

According to CBRE, there are at present six prime retail projects within the trade area which can be considered Shiqi Metro Mall's main existing competitors. In addition, a total of four retail projects are planned to be launched between 2016 and 2019, and can be considered future competitors of Shiqi Metro Mall.

The following table sets out the current and future competition faced by Shiqi Metro Mall.

<table>
<thead>
<tr>
<th>Name</th>
<th>Distance from Shiqi Metro Mall (km)</th>
<th>GFA (sq m)</th>
<th>Completion Date/Expected Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Existing Competitors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lihe Plaza</td>
<td>2.5</td>
<td>130,000.0</td>
<td>2012</td>
</tr>
<tr>
<td>Central Power Plaza</td>
<td>2.0</td>
<td>130,060.0</td>
<td>2013</td>
</tr>
<tr>
<td>Holiday Plaza</td>
<td>1.5</td>
<td>30,000.0</td>
<td>2005</td>
</tr>
<tr>
<td>Yihua Department Store</td>
<td>2.5</td>
<td>50,000.0</td>
<td>1995</td>
</tr>
<tr>
<td>Joy City</td>
<td>3.5</td>
<td>160,000.0</td>
<td>2015</td>
</tr>
<tr>
<td>AEON</td>
<td>4.5</td>
<td>30,000.0</td>
<td>2015</td>
</tr>
<tr>
<td><strong>Future Competitors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perfect Eagle Plaza</td>
<td>1.5</td>
<td>100,000.0</td>
<td>2018</td>
</tr>
<tr>
<td>Ligao Plaza</td>
<td>2.5</td>
<td>100,000.0</td>
<td>N.A.</td>
</tr>
<tr>
<td>Huafa Plaza</td>
<td>2.8</td>
<td>70,000.0</td>
<td>2019</td>
</tr>
<tr>
<td>Skyline International Plaza</td>
<td>4.2</td>
<td>50,000.0</td>
<td>2018</td>
</tr>
</tbody>
</table>

Source: CBRE, Independent Market Research Report

(See “Appendix F – Independent Market Research Report” of this Prospectus for further details.)
Information Regarding the Title of Shiqi Metro Mall

The table below sets out some particulars of the State-owned Land Use Right Certificates for Shiqi Metro Mall.

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuer</td>
<td>Government of Zhongshan City</td>
</tr>
<tr>
<td>Issue Date</td>
<td>April 2013 to August 2013</td>
</tr>
<tr>
<td>User</td>
<td>Zhongshan Dasin Management and Investment Co., Ltd.</td>
</tr>
<tr>
<td>Location</td>
<td>No. 2, South Dasin Road, Shiqi District, Zhongshan, Guangdong Province, PRC</td>
</tr>
<tr>
<td>Type of Use Right</td>
<td>Granted</td>
</tr>
<tr>
<td>Land Area (sq m)</td>
<td>33,835.4</td>
</tr>
<tr>
<td>Land Use</td>
<td>Commercial and Residential</td>
</tr>
<tr>
<td>Term of Land Use</td>
<td>Until 27 July 2041(1)</td>
</tr>
</tbody>
</table>

Note:
(1) The expiry date of the land use rights of Shiqi Metro Mall is 27 July 2041 (for commercial use) and 27 July 2071 (for residential use).

THE DOUMEN METRO MALL DEVELOPMENT PROJECT

Zhongxing Road, Jingan Town, Doumen District, Zhuhai City, PRC

Source: The Sponsor
Description of the Doumen Metro Mall Development Project

The Doumen Metro Mall Development Project is currently a development project that is undergoing construction, which is expected to be completed and to commence operations in the second quarter of 2018. It will be a shopping mall located in the Doumen District of Zhuhai City in PRC.

It is expected to comprise two basement levels of car park space and six levels above ground, and is intended to be a large-scale integrated shopping mall providing for a one-stop destination for leisure and entertainment, F&B and retail activities. The Doumen Metro Mall Development Project, once completed, is expected to attract a large percentage of the shoppers from the neighbouring towns of Jing’an Town and Baijiao Town, which are situated in the Doumen District.

The table below sets out a summary of selected information on the Doumen Metro Mall Development Project.

<table>
<thead>
<tr>
<th>Property</th>
<th>The Doumen Metro Mall Development Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Zhuhai City, Doumen District, Jingan Town, Zhongxing Road, PRC</td>
</tr>
<tr>
<td>Expected Date of Commencement of Operations</td>
<td>Second quarter of 2018</td>
</tr>
<tr>
<td>Expiry Date of Land Use Rights</td>
<td>12 October 2052</td>
</tr>
<tr>
<td>Estimated GFA (1) (sq m)</td>
<td>167,794.1</td>
</tr>
<tr>
<td>Estimated NLA (1) (sq m)</td>
<td>106,371.5</td>
</tr>
<tr>
<td>Number of Floors</td>
<td>Eight floors (including two basement floors)</td>
</tr>
<tr>
<td>Estimated Car Park Lots (1)</td>
<td>1,222</td>
</tr>
</tbody>
</table>
Note:

(1) The relevant GFA, NLA and information on the car park lots are based on architectural plans prepared by the relevant architects. These areas may differ from the actual GFA, NLA and car park lots of the Doumen Metro Mall Development Project when completed. The GFA will be finalised when the Building Ownership Certificate of the Doumen Metro Mall Development Project is issued.

For the avoidance of doubt, the Initial Portfolio does not include the Doumen Metro Mall Development Project as it will not be acquired by Dasin Retail Trust as at the Listing Date.

Location and Trade Area

Location

The Doumen Metro Mall Development Project is located along Zhongxing Road, which is a main road with substantial traffic. Zhongxing Road is positioned near the traditional areas of the Doumen District, with a high number of residents living nearby. It is also well served by a convenient transportation network.

Trade Area

The Doumen Metro Mall Development Project, once completed, is expected to attract a large percentage of the shoppers from the neighbouring towns of Jing'an Town and Baijiao Town, which are situated in the Doumen District. In addition, there is currently no large-scale integrated shopping mall in the Doumen area, and therefore the Sponsor expects that the Doumen Metro Mall Development Project, once completed, will be able to attract consumers and also promote the growth of the retail industry in the Doumen area.

The Sponsor expects that the Doumen Metro Mall Development Project, once completed, will be a middle to high-end shopping mall that will contain leisure and entertainment, F&B and retail activities, providing a one-stop destination for its customers. The Sponsor believes that the diverse range of tenants will attract consumers who seek a one-stop destination for their various needs. Moreover, the Doumen Metro Mall Development Project is located along Zhongxing Road, which is linked to the Western coastal highway, the Pearl River highway and the Guangzhou-Macau highway, which makes it convenient for residents from the following areas to visit the mall.

The Sponsor, since its inception in 2001, has established a strong presence and track record as one of the leading developers in Zhongshan City. As such, it possesses a deep understanding of the characteristics of the area where its malls are located. This enables the Sponsor to design the malls according to consumer preferences and attract the optimal tenant mix. In view of the above, and the strength in the location and trade area of the Doumen Metro Mall Development Project, the Sponsor expects to be able to attract consumers to the Doumen Metro Mall Development Project once it is completed.

OTHER GENERAL INFORMATION ON THE PROPERTIES

Marketing and Leasing Activities

The Commercial Manager, which is wholly-owned by the Zhang Vendors and is a related company of the Sponsor, provides marketing services and promoting to the Properties. This enables Dasin Retail Trust to maximise rental returns and to achieve long-term capital appreciation, market leadership in the retail industry and maintain its brand position.
Taking into account market research conducted on the spending power and habits, and shopping, dining, leisure and entertainment preferences of target consumer demographics, the Properties will be actively marketed by the Commercial Manager to prospective tenants in desired target groups through direct calls and liaising with property consultants. Prospective tenants and their consultants will also be regularly updated with information on the available units for rental at each of the Properties. Viewings of the premises will be conducted regularly by the Commercial Manager with prospective tenants to market vacant units. The Commercial Manager will also explore opportunities for joint marketing efforts and other beneficial opportunities with the Sponsor. In addition, promotions and/or events are occasionally organised at the Properties to attract both local residents and tourists to the shopping malls. The Commercial Manager will also utilise websites, videos and marketing collateral to promote the mall, focusing primarily on communication to the media, reputational issues and community engagement.

**Property Management**

The Property Manager has been engaged under the respective Property Management Agreements and will perform certain property management services to the Properties, subject to the overall management and supervision of the Trustee-Manager. These property management services include the overall management of, maintenance and repair of the structure and utilities of the Properties, the formulation of mall operation and management regulations, the rectification of any defects that violate building and safety regulations. The respective Property Management Agreements contain the customary provisions, including termination for fault and for no fault.

**Lease Arrangements and Lease Management**

**Xiaolan Metro Mall and Dasin E-Colour**

The Rental Management Company of Xiaolan Metro Mall, Xiaolan Xinduhui and the Rental Management Company of Dasin E-Colour, Yicai Xinduhui, had respectively entered into lease agreements with the respective retail tenants of Xiaolan Metro Mall and Dasin E-Colour whereby the rent in respect of these Properties is collected by the respective Rental Management Companies and in return each of these Rental Management Companies entered into master lease agreements with the respective PRC Property Companies of Xiaolan Metro Mall and Dasin E-Colour, namely, Xinrui Commercial and Xinteng Commercial respectively, where a proportion of the rent collected will be paid to Xinrui Commercial and Xinteng Commercial respectively and the remainder will be retained by the Rental Management Companies.

Based on the Profit Forecast and Profit Projection, the projected Gross Rental Income of Xiaolan Metro Mall to be received by Xiaolan Xinduhui for Forecast Year 2017 will be RMB 97.6 million, of which approximately RMB 29.5 million (representing 30.2% of the projected Gross Rental Income of Xiaolan Metro Mall for Forecast Year 2017) will be payable to Xinrui Commercial under the master lease agreement (based on RMB 22.7 per sq m per month) and the remaining RMB 68.1 million (representing 71.5% of the projected Gross Rental Income of Xiaolan Metro Mall for Forecast Year 2017) will be retained by Xiaolan Xinduhui. The projected Gross Rental Income of Xiaolan Metro Mall to be received by Xiaolan Xinduhui for Projection Year 2018 will be RMB 113.3 million, of which approximately RMB 30.1 million (representing 26.6% of the projected Gross Rental Income of Xiaolan Metro Mall for Projection Year 2018) will be payable to Xinrui Commercial under the master lease agreement (based on RMB 22.7 per sq m per month plus an escalation of 2.0% per annum) and the remaining RMB 83.2 million (representing 73.4% of the projected Gross Rental Income of Xiaolan Metro Mall for Projection Year 2018) will be retained by Xiaolan Xinduhui. (See “Profit Forecast and Profit Projection” of this Prospectus for further details.)
Based on the Profit Forecast and Profit Projection, the projected Gross Rental Income of Dasin E-Colour to be received by Yicai Xinduhui for Forecast Year 2017 will be RMB 12.7 million, of which approximately RMB 5.7 million (representing 49.9% of the projected Gross Rental Income of Dasin E-Colour for Forecast Year 2017) will be payable to Xinteng Commercial under the master lease agreement (based on RMB 18.3 per sq m per month) and the remaining RMB 7.0 million (representing 55.1% of the projected Gross Rental Income of Dasin E-Colour for Forecast Year 2017) will be retained by Yicai Xinduhui. The projected Gross Rental Income of Dasin E-Colour to be received by Yicai Xinduhui for Projection Year 2018 will be RMB 14.7 million, of which approximately RMB 5.8 million (representing 39.5% of the projected Gross Rental Income of Dasin E-Colour for Projection Year 2018) will be payable to Xinteng Commercial under the master lease agreement (based on RMB 18.3 per sq m per month plus an escalation of 2.0% per annum) and the remaining RMB 8.9 million (representing 60.5% of the projected Gross Rental Income of Dasin E-Colour for Projection Year 2018) will be retained by Yicai Xinduhui. (See “Profit Forecast and Profit Projection” of this Prospectus for further details.)

The lease agreements entered into between the Rental Management Companies and the respective retail tenants of Xiaolan Metro Mall and Dasin E-Colour contain terms and conditions, including those relating to duration of the lease, provision of a security deposit, as well as insurance obligations.

(See “Overview – Structure of Dasin Retail Trust as at the Listing Date” and “Overview – Overview of the Acquisition of the Initial Portfolio – Acquisition of the Initial Portfolio and Rental Management Companies” of this Prospectus for further information on how the Rental Management Companies will be injected into Dasin Retail Trust.)

**Xiaolan Master Lease Agreement**

It is intended that Dasin Merchant Investment, as the Xiaolan Master Lessee, will take over the lease of certain units on the first floor and third floor of Xiaolan Metro Mall (with an aggregate GFA (as stipulated in the Xiaolan Master Lease Agreement) of 14,940.5 sq m) that Superior City Department Store currently occupies, upon the expiry of Zhongshan Youyuecheng Store Management Co., Ltd’s (operator of Superior City Department Store) lease on 25 September 2017. The tenure of the Xiaolan Master Lease Agreement between Xiaolan Xinduhui and Dasin Merchant Investment is 10 years, from 26 September 2017 to 25 September 2027. Under the Xiaolan Master Lease Agreement, the Xiaolan Master Lessee shall be liable for all capital expenditure on the leased area. Based on the Profit Forecast and Profit Projection, the projected Gross Rental Income to be received by Xiaolan Xinduhui from the Xiaolan Master Lessee under the Xiaolan Master Lease Agreement for Forecast Year 2017 will be approximately RMB 2.3 million from 26 September 2017 to 31 December 2017 (representing approximately 2.4% of the projected Gross Rental Income of Xiaolan Metro Mall for Forecast Year 2017) and for Projection Year 2018 will be approximately 21.0 million (representing approximately 18.5% of the projected Gross Rental Income of Xiaolan Metro Mall for Projection Year 2018).

The existing lease between Superior City and Xiaolan Xinduhui entered into on 9 September 2005 (as amended and/or supplemented) provides that upon expiry of the lease, should Superior City wish to renew the lease with Xiaolan Xinduhui, it must submit such request to Xiaolan Xinduhui at least six months prior to expiry of the lease, and in such a situation, Superior City will be given priority over prospective tenants interested in leasing the premises currently occupied by Superior City, as Xiaolan Xinduhui has to first offer the renewed lease to Superior City based on similar terms that it would offer to third parties, which, in this case, would be the rent payable by Dasin Merchant Investment to Xiaolan Xinduhui under the Xiaolan Master Lease Agreement (which we understand from the Sponsor to be the prevailing market rental rate at the point of expiry of the Superior City lease). In this regard, Superior City has on 7 December 2016 provided a letter of
waiver to Xiaolan Xinduhui stating that it does not intend to renew the existing lease with Xiaolan Xinduhui and that it has agreed to waive its right of first offer to renew its existing lease based on the terms of the Xiaolan Master Lease Agreement.

For the avoidance of doubt, this will not preclude Superior City from sub-leasing the premises from Dasin Merchant Investment after 25 September 2017 based on terms to be agreed between the parties and in this respect, Superior City has indicated in the same letter of waiver that following expiry of the existing lease on 25 September 2017, it intends to sub-lease the same premises from Dasin Merchant Investment on similar terms as the Xiaolan Master Lease Agreement for an initial tenure of two years.

The rationale for entering into the Xiaolan Master Lease Agreement is to provide a level of certainty to investors as regards the space currently occupied by Superior City Department Store, which makes up 16.9% of the GFA (excluding car park space) of Xiaolan Metro Mall as at 30 June 2016, following the expiry of its lease on 25 September 2017. The Sponsor believes that, following the expiry of the existing lease, there would be sustained interest from Superior City Department Store to renew the lease or, alternatively, the space would be leased out to prospective tenants within a reasonable period of time. However, given that the lease of Superior City Department Store will only expire in approximately nine months, the Xiaolan Master Lease Agreement was proposed to be put in place to provide additional assurance following the expiry of the existing lease. The Xiaolan Master Lease Agreement is not dependent on the unitholding of the Zhang Family Trust in Dasin Retail Trust, nor does it provide that the Xiaolan Master Lease Agreement may be terminated in the event of a sale of Xiaolan Metro Mall. It can, however, be terminated in the event that the Xiaolan Master Lessee breaches any of the terms of the Xiaolan Master Lease Agreement and, despite receiving a notice to rectify from the Xiaolan Master Lessor, refuses to rectify the breach. The Xiaolan Master Lease Agreement does not prescribe a time period for which such breach may be rectified before the Xiaolan Master Lease Agreement may be terminated.

(See “Certain Agreements Relating to Dasin Retail Trust and the Properties – Xiaolan Master Lease Agreement” and “Interested Person Transactions and Conflicts of Interest – Interested Person Transactions – Other Ongoing Interested Person Transactions – Lease of retail units in Xiaolan Metro Mall to Interested Persons” of this Prospectus for further details.)

The Xiaolan Master Lessee, Dasin Merchant Investment, a company that is wholly-owned by the Zhang Vendors through Dasin Management and Investment, has its principal business focused on the marketing and management of real estate held by the Sponsor and the Zhang Vendors. It currently manages and markets 10 properties (with an aggregate GFA of approximately 1.0 million sq m), including certain ROFR Properties such as Guzhen Metro Mall and Xinyue Metro Mall. The Trustee-Manager and the Sponsor are of the view that the Xiaolan Master Lessee will be able to fulfil its obligations under the Xiaolan Master Lease Agreement for the following reasons:

(a) The Xiaolan Master Lessee’s principal business is the marketing and management of real estate held by the Sponsor and the Zhang Vendors. In 2016, the Xiaolan Master Lessee and the rest of the Sponsor Group managed and marketed 10 properties (with an aggregate GFA of approximately 1.0 million sq m), including certain ROFR Properties such as Guzhen Metro Mall and Xinyue Metro Mall. Since 2014, the Xiaolan Master Lessee has gathered experience in securing and attracting optimal tenant mixes as well as actively working with tenants to help promote their business in the malls by understanding their business plans and operations, thereby consequently strengthening the occupancy rates in malls that it manages, for example, Guzhen Metro Mall and Xinyue Metro Mall.

1 Includes Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour.
(b) As a demonstration of the Xiaolan Master Lessee’s financial standing, it is noted that its NAV, based on the Xiaolan Master Lessee’s financial statements, as at 31 December 2013, 31 December 2014 and 31 December 2015 were approximately RMB 25.6 million, RMB 40.8 million and RMB 52.1 million respectively.

For the space leased under the Xiaolan Master Lease Agreement, in the event that Superior City Department Store does not continue with its lease by sub-leaseing from the Xiaolan Master Lessee, according to the Sponsor, it is confident that it will be able to fully sub-lease the space leased under the Xiaolan Master Lease Agreement, as it believes that demand for retail space in Xiaolan Metro Mall is expected to remain high. In the event that Superior City Department Store does not continue with its lease, the Xiaolan Master Lessee plans to seek existing tenants in the other malls that it manages as well as prospective operators of fashion and apparel shops to sub-lease the space, with the units on the first floor comprising mainly shops selling accessories and cosmetics and with the third floor comprising mainly shops selling apparel and shoes.

Save as disclosed in “Risk Factors” and barring any unforeseen circumstances, as at the Latest Practicable Date, the Trustee-Manager and the Sponsor are not aware of any known events that in their reasonable opinion are likely to have a material adverse effect which would result in the rental income generated by Xiaolan Metro Mall following the expiry or early termination of the Xiaolan Master Lease Agreement becoming unsustainable and consequently causing the distribution yields of Dasin Retail Trust generated from the Initial Portfolio to become unsustainable, taking into account, among others, the following considerations:

(a) the projections of the Sponsor and the Trustee-Manager on the duration of rental cycles, market rental rates and growth trajectory of Xiaolan Metro Mall (based on the rent payable and the rental escalation rate under the Xiaolan Master Lease Agreement);

(b) that the Independent Valuers are of the view that the rent payable and the rental escalation rate under the Xiaolan Master Lease Agreement are in line with prevailing market rental rates and market rental escalation rates of similar properties; and

(c) that the Trustee-Manager is assisted by a dedicated management team under the Commercial Manager, which possesses a deep understanding of the Properties and their trade areas and has the relevant experience in managing the commercial aspects of the Properties, as well as in procuring replacement lessees. (See “The Trustee-Manager – The Commercial Manager of the Properties” of this Prospectus for further information on the Commercial Manager.)

The Independent Valuers are of the opinion that the projections of the Sponsor and the Trustee-Manager regarding the average rental rate ranges of Xiaolan Metro Mall for the corresponding periods as set out in the table below, which the rental rate projections of the Sponsor and the Trustee-Manager as stated in (a) above are based upon, are principally in line with the market rental ranges of Xiaolan Metro Mall adopted by them in arriving at the valuations of Xiaolan Metro Mall:

<table>
<thead>
<tr>
<th>Xiaolan Metro Mall</th>
<th>1 Jan to 31 Dec 2016</th>
<th>1 Jan to 31 Dec 2017</th>
<th>1 Jan to 31 Dec 2018</th>
<th>1 Jan to 31 Dec 2019</th>
<th>1 Jan to 31 Dec 2020</th>
<th>1 Jan to 31 Dec 2021</th>
<th>1 Jan to 31 Dec 2022</th>
<th>1 Jan to 31 Dec 2023</th>
<th>1 Jan to 31 Dec 2024</th>
<th>1 Jan to 31 Dec 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assumption</strong></td>
<td>70 – 110</td>
<td>70 – 120</td>
<td>90 – 140</td>
<td>90 – 150</td>
<td>100 – 150</td>
<td>100 – 160</td>
<td>110 – 170</td>
<td>110 – 180</td>
<td>130 – 200</td>
<td>150 – 220</td>
</tr>
<tr>
<td><strong>Average Rental Rate Range</strong> <em>(RMB/sq m of GFA/month)</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Dasin E-Colour Master Lease Agreements

Dasin Merchant Investment had entered into various lease agreements with Yicai Xinduhui (collectively, the “Dasin E-Colour Master Lease Agreements”) to lease certain retail units (with an aggregate NLA of 4,593.0 sq m) on the fourth, eighth and ninth floors, as well as the entire seventh floor, of Dasin E-Colour. The tenure of the Dasin E-Colour Master Lease Agreements is three years, from 2 March 2016 to 1 March 2019. The Dasin E-Colour Master Lease Agreements provide that any capital expenditure on the leased space will be subject to mutual agreement between Dasin Merchant Investment and Yicai Xinduhui. Dasin Merchant Investment had committed to Yicai Xinduhui that it will carry out certain capital expenditure on the leased space. Based on the Profit Forecast and Profit Projection, the projected Gross Rental Income to be received by Yicai Xinduhui from Dasin Merchant Investment under the Dasin E-Colour Master Lease Agreements for Forecast Year 2017 will be RMB 3.3 million (representing 24.8% of the projected Gross Rental Income of Dasin E-Colour for Forecast Year 2017) and for Projection Year 2018 will be RMB 3.8 million (representing 24.3% of the projected Gross Rental Income of Dasin E-Colour for Projection Year 2018). The occupancy rate of Dasin E-Colour, excluding the Dasin E-Colour Master Lease Agreements and assuming that the space would otherwise have been vacant, is 56.5%\(^{(1)}\) as at 2 March 2016. If any of Yicai Xinduhui or Dasin Merchant Investment is unable to fulfil its obligations under the Dasin E-Colour Master Lease Agreements due to force majeure events, both parties do not assume any responsibility and may terminate the relevant Dasin E-Colour Master Lease Agreements or amend the relevant clauses of the relevant Dasin E-Colour Master Lease Agreements. The Dasin E-Colour Master Lease Agreements do not provide for a cure period to rectify such breaches.

(See “Certain Agreements Relating to Dasin Retail Trust and the Properties – Dasin E-Colour Master Lease Agreements” and “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions – Other Ongoing Interested Person Transactions – Lease of retail units in Dasin E-Colour to Interested Persons” of this Prospectus for further details.)

Note:

\(^{(1)}\) Based on the NLA of Dasin E-Colour as at 30 June 2016.

The rationale for entering into the Dasin E-Colour Master Lease Agreements is to provide the Sponsor with more flexibility to reconfigure the tenant mix of Dasin E-Colour to allocate more space in Dasin E-Colour towards F&B, lifestyle and entertainment, in line with its strategy of repositioning Dasin E-Colour as a mid-tier community mall to cater to a wider demographic of shoppers.

The space on the fourth floor leased under the Dasin E-Colour Master Lease Agreements comprises three retail units operating as restaurants. Two of these retail units have been sub-leased to third party independent operators. For the other retail unit, Dasin Merchant Investment collaborated with a third party to operate a restaurant. For the space of the seventh floor leased under the Dasin E-Colour Master Lease Agreements, Dasin Merchant Investment collaborated with a professional management company to operate a karaoke and other entertainment facilities. For the spaces on the eighth and ninth floors leased under the Dasin E-Colour Master Lease Agreements, Dasin Merchant Investment has partnered the University of Electronic Science and Technology of China (Zhongshan Institute) to house a business incubation space for students of the University of Electronic Science and Technology of China (Zhongshan Institute).
Dasin Merchant Investment, a company that is wholly-owned by the Zhang Vendors through Dasin Management and Investment, has its principal business focused on the marketing and management of real estate held by the Sponsor and the Zhang Vendors. It currently manages and markets 10 properties (with an aggregate GFA of approximately 1.0 million sq m), including certain ROFR Properties such as Guzhen Metro Mall and Xinyue Metro Mall. The Trustee-Manager and the Sponsor are of the view that Dasin Merchant Investment will be able to fulfil its obligations under the Dasin E-Colour Master Lease Agreements for the following reasons:

(a) Dasin Merchant Investment’s principal business is the marketing and management of real estate held by the Sponsor and the Zhang Vendors. In 2016, Dasin Merchant Investment and the rest of the Sponsor Group managed and marketed 10 properties¹ (with an aggregate GFA of approximately 1.0 million sq m), including certain ROFR Properties such as Guzhen Metro Mall and Xinyue Metro Mall. Since 2014, Dasin Merchant Investment has gathered experience in securing and attracting optimal tenant mixes as well as actively working with tenants to help promote their business in the malls by understanding their business plans and operations, thereby consequently strengthening the occupancy rates in malls that it manages, for example, Guzhen Metro Mall and Xinyue Metro Mall.

(b) As a reflection of Dasin Merchant Investment’s financial standing, its NAV, based on Dasin Merchant Investment’s financial statements, as at 31 December 2013, 31 December 2014 and 31 December 2015 were approximately RMB 25.6 million, RMB 40.8 million and RMB 52.1 million respectively.

Save as disclosed in “Risk Factors” of this Prospectus and barring any unforeseen circumstances, as at the Latest Practicable Date, the Trustee-Manager and the Sponsor are not aware of any known events that in their reasonable opinion are likely to have a material adverse effect which would result in the rental income generated by Dasin E-Colour following the expiry or early termination of the Dasin E-Colour Master Lease Agreements becoming unsustainable and consequently causing the distribution yields of Dasin Retail Trust generated from the Initial Portfolio and Shiqi Metro Mall to become unsustainable, taking, also, into account the following considerations:

(a) the projections of the Sponsor and the Trustee-Manager on the duration of rental cycles, market rental rates and growth trajectory of Dasin E-Colour (based on the rent payable and the rental escalation rate under the Dasin E-Colour Master Lease Agreements);

(b) that the Independent Valuers are of the view that the rent payable and the rental escalation rate under the Dasin E-Colour Master Lease Agreements are in line with prevailing market rental rates and market rental escalation rates of similar properties; and

(c) the Trustee-Manager is assisted by a dedicated management team under the Commercial Manager, which possesses a deep understanding of the Properties and their trade areas and has the relevant experience in managing the commercial aspects of the Properties, as well as in procuring replacement lessees. (See “The Trustee-Manager – The Commercial Manager of the Properties” of this Prospectus for further information on the Commercial Manager.)

¹ Includes Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour.
Each of the Independent Valuers is of the opinion that the projections of the Sponsor and the Trustee-Manager regarding the average rental rate ranges of Dasin E-Colour for the corresponding periods as set out in the table below, which the rental rate projections of the Sponsor and the Trustee-Manager as stated in (a) above are based upon, are principally in line with the market rental ranges Dasin E-Colour adopted by them in arriving at the valuations of Dasin E-Colour:

<table>
<thead>
<tr>
<th>Assumption</th>
<th>1 Jan to 31 Dec 2016</th>
<th>1 Jan to 31 Dec 2017</th>
<th>1 Jan to 31 Dec 2018</th>
<th>1 Jan to 31 Dec 2019</th>
<th>1 Jan to 31 Dec 2020</th>
<th>1 Jan to 31 Dec 2021</th>
<th>1 Jan to 31 Dec 2022</th>
<th>1 Jan to 31 Dec 2023</th>
<th>1 Jan to 31 Dec 2024</th>
<th>1 Jan to 31 Dec 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Rental Rate Range* (RMB/sq m of GFA/month)</td>
<td>30 – 50</td>
<td>30 – 50</td>
<td>40 – 60</td>
<td>50 – 70</td>
<td>50 – 70</td>
<td>60 – 80</td>
<td>60 – 90</td>
<td>70 – 100</td>
<td>70 – 110</td>
<td>80 – 120</td>
</tr>
</tbody>
</table>

**Ocean Metro Mall**

Zhongshan Yuanxin Commercial Property Management Co., Ltd. has entered into lease agreements with the various retail tenants of Ocean Metro Mall. Accordingly, the rental management functions are administered directly by Zhongshan Yuanxin Commercial Property Management Co., Ltd.

The lease agreements entered into for Ocean Metro Mall include terms relating to the duration of the lease, the provision of a security deposit, as well as insurance obligations.

As tenant retention is crucial to the turnover of leases, Zhongshan Yuanxin Commercial Property Management Co., Ltd and the Rental Management Companies of each of Xiaolan Metro Mall and Dasin E-Colour will seek to maintain close communication and a good working relationship with the existing tenants. Dialogues and meetings for lease renewal will be held with tenants in advance of the expiry of their leases. Arrears management procedures will also be enforced to ensure timely payment of rent. The Trustee-Manager believes that these proactive steps to retain tenants and reduce rental in arrears will help to maintain a stable income stream for Dasin Retail Trust.

**Insurance**

Dasin Retail Trust has in place insurance for the Properties that the Trustee-Manager believes is consistent with industry practice in PRC. Insurance coverage for the Properties includes fire accident, property damage and public liability (including personal injury). There are no significant or unusual excess or deductible payments required under such policies.

There are, however, certain types of risks that are not covered by such insurance policies, including acts of war and terrorism. (See “Risk Factors – Risks Relating to the Properties and Shiqi Metro Mall – Dasin Retail Trust may suffer material losses in excess of insurance proceeds.” of this Prospectus for further details.)

**Encumbrances**

(See “Capitalisation and Indebtedness” of this Prospectus for further details.)
Employees

The table below sets forth the number of employees of the Dasin Retail Trust Group by function as at 31 December 2013, 31 December 2014, 31 December 2015 and the Latest Practicable Date:

<table>
<thead>
<tr>
<th>Function</th>
<th>As at 31 December</th>
<th>As at the Latest Practicable Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2014</td>
</tr>
<tr>
<td>General Manager and Assistant Manager</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Tenant Procurement</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Finance</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Administration and Human Resource</td>
<td>4</td>
<td>18</td>
</tr>
<tr>
<td>Operations(1)</td>
<td>41</td>
<td>85</td>
</tr>
<tr>
<td>Security</td>
<td>79</td>
<td>127</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>133</td>
<td>244(2)</td>
</tr>
</tbody>
</table>

Notes:
(1) These figures include headcount which have been employed for maintenance functions, which is ancillary to shopping mall operations.
(2) The increase in the number of employees as at 31 December 2014 over 31 December 2013 was primarily due to the commencement of operations of Ocean Metro Mall.
(3) As most of the property management and marketing functions will be conducted by the Property Manager and Commercial Manager, with the supervision of the Trustee-Manager, it is envisaged that each of the Rental Management Companies and Zhongshan Yuanxin will continue to retain only four to seven employees, being one to two manager(s) and three to five staff to provide day-to-day rental collection operation services in relation to each respective Property. As such, the total number of employees has decreased from 296 as at 31 December 2015 to 11 as at the Latest Practicable Date.

All of the employees were geographically located in PRC as at 31 December 2013, 31 December 2014 and 31 December 2015.

The Dasin Retail Trust Group does not hire a significant number of temporary employees. As at the Latest Practicable Date, the employees of the Dasin Retail Trust Group are not unionised.

Legal Proceedings

Neither Dasin Retail Trust nor the Trustee-Manager is currently involved in any material litigation nor, to the best of the Trustee-Manager’s knowledge, is in any material litigation or arbitration proceedings currently contemplated or threatened against Dasin Retail Trust or the Trustee-Manager.

ROFR PROPERTIES

In addition to the Doumen Metro Mall Development Project, the ROFR Properties currently cover eight completed properties and six uncompleted properties undergoing development, located in Zhongshan and Zhuhai in PRC, and Macau. Pursuant to the Sponsor ROFR, each of the Zhang Vendors and Mr. Zhang Zhencheng is obliged to offer to sell the ROFR Properties to Dasin Retail Trust should any of them decide to divest its equity interest in the relevant companies that hold these ROFR Properties, subject to any prior overriding obligations which the Zhang Vendors and Mr. Zhang Zhencheng may have in relation to the ROFR Properties. For the avoidance of doubt, the provisions of the Sponsor ROFR shall apply to the Doumen Metro Mall Development Project following the expiry of the Doumen Purchase Option.
A brief overview of the ROFR Properties and the reasons why the ROFR Properties are not suitable for injection into Dasin Retail Trust at the Listing Date are set out in the table below.

**Completed ROFR Properties in PRC**

<table>
<thead>
<tr>
<th>ROFR Property</th>
<th>Location</th>
<th>Approximate Size of ROFR Property (Gross Floor Area – sq m)</th>
<th>Date of Commencement of Operations</th>
<th>Reason why the ROFR Property is not suitable for injection into Dasin Retail Trust at the Listing Date</th>
<th>Interest held by the Zhang Vendors (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dongfeng Metro Mall (大信新都汇东风店) (&quot;Dongfeng Metro Mall&quot;)</td>
<td>Zhongshan City, Dongfeng Town, Bogong Village</td>
<td>51,489.2</td>
<td>July 2013</td>
<td>As the Sponsor has only recently acquired Dongfeng Metro Mall and taken over the management of the retail mall, it is currently in the midst of adjusting the tenant mix as well as the positioning of the mall. As such, it will take some time before the income stream of the mall will stabilise. In addition, the retail component and the hotel component of this ROFR Property are situated on the same undivided land parcel, and will need to be subdivided for injection of the retail component into the Dasin Retail Trust.</td>
<td>100.0</td>
</tr>
<tr>
<td>118 Xiangming Square (118和明广场) (&quot;118 Square&quot;)</td>
<td>Zhongshan City, Xiaolan Xin Hua Middle Road</td>
<td>33,536.9</td>
<td>July 2014</td>
<td>The land use right in respect of the land on which this ROFR Property is situated is held by a third party and leased to Zhongshan Chuangfu Real Estate Co., Ltd., a company of which the Sponsor holds 51.0% interests, pursuant to a 20-year lease. Should the Sponsor be able to acquire the land use right of 118 Xiangming Square eventually, such ROFR Property will be offered for sale by the Sponsor to Dasin Retail Trust pursuant and subject to the terms and conditions of the Sponsor ROFR.</td>
<td>71.46(1)</td>
</tr>
<tr>
<td>Guzhen Metro Mall (大信新都汇古镇店) (&quot;Guzhen Metro Mall&quot;)</td>
<td>Zhongshan City, Guzhen Town, Xin Xing Avenue</td>
<td>265,134.6</td>
<td>December 2014</td>
<td>The land on which this ROFR Property is situated is owned collectively by the local villagers with the land use rights held by the village committee. Pursuant to a 20-year lease between the Sponsor and the village committee, the Sponsor is only authorised to sub-lease the land use rights of the buildings built over the land to sub-lessees during the term of the lease which shall expire in 2033. Should the Sponsor be able to acquire the land use right of Guzhen Metro Mall eventually, such ROFR Property will be offered for sale by the Sponsor to Dasin Retail Trust pursuant and subject to the terms and conditions of the Sponsor ROFR.</td>
<td>97.0(2)</td>
</tr>
<tr>
<td>ROFR Property</td>
<td>Location</td>
<td>Approximate Size of ROFR Property (Gross Floor Area – sq m)</td>
<td>Date of Commencement of Operations</td>
<td>Reason why the ROFR Property is not suitable for injection into Dasin Retail Trust at the Listing Date</td>
<td>Interest held by the Zhang Vendors (%)</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>---------------------------------------------</td>
<td>-------------------------------------------------------------</td>
<td>-----------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>Xinyue Metro Mall (‘Xinyue Metro Mall’)</td>
<td>Zhongshan City, Shiqi District, Nan An Road</td>
<td>93,567.4</td>
<td>28 December 2015</td>
<td>As the Sponsor currently holds a minority interest in this ROFR Property, it may not be suitable for injection in Dasin Retail Trust as part of the Initial Portfolio.</td>
<td>12.0(3)</td>
</tr>
<tr>
<td>Pacific Ocean Shopping Mall (‘Pacific Ocean Mall’)</td>
<td>Zhongshan City, Xiaolan Town, Xinhua Middle Road</td>
<td>31,286.0</td>
<td>1 October 2016</td>
<td>The land use right in respect of the land on which this ROFR Property is situated is held by a third party and leased to Zhongshan Pacific Ocean Mall Management Co., Ltd., a company of which Dasin Management and Investment holds 49.0% interests. The term of such lease is 41 months, from 1 October 2016 to 29 February 2020. Should Dasin Management and Investment be able to acquire the land use right of Pacific Ocean Mall eventually, such ROFR Property will be offered for sale by Dasin Management and Investment to Dasin Retail Trust pursuant and subject to the terms and conditions of the Sponsor ROFR.</td>
<td>49.0(4)</td>
</tr>
<tr>
<td>Fusha Metro Mall (‘Fusha Metro Mall’)</td>
<td>Zhongshan City, Fusha Town, East side of Fugong Road</td>
<td>43,522.0</td>
<td>18 November 2016</td>
<td>Fusha Metro Mall is part of a mix development which also comprises a hotel and residential apartments, all of which are under a single property title. The respective titles of the mall, the hotel and the residential apartment cannot be separated until the hotels and residential apartments are sold.</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Notes:

1) The remaining 28.54% of 118 Xiangming Square are held by third parties unrelated to the Zhang Family or the Sponsor.

2) The remaining 3.0% of Guzhen Metro Mall is held by a third party unrelated to the Zhang Family or the Sponsor.

3) Out of the remaining 88.0% of Xinyue Metro Mall which is held by third parties unrelated to the Zhang Family or the Sponsor, 50.0% of Xinyue Metro Mall is held by Sino-Ocean and 38.0% of Xinyue Metro Mall is held by an individual.

4) 49.0% of the lease interest in Pacific Ocean Mall is held by the Zhang Vendors through Dasin Management and Investment, while the remaining 51.0% is held by a third party unrelated to the Zhang Family or the Sponsor.
### Completed ROFR Properties in Macau

<table>
<thead>
<tr>
<th>ROFR Property</th>
<th>Location</th>
<th>Approximate Size of ROFR Property (Gross Floor Area – sq m)</th>
<th>Date of Commencement of Operations</th>
<th>Reason why the ROFR Property is not suitable for injection into Dasin Retail Trust at the Listing Date</th>
<th>Interest held by the Zhang Vendors and Zhang Zhencheng (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dasin Macau Financial Centre (大信澳门金融中心) (&quot;Macau Financial Centre&quot;)</td>
<td>Macau, Finance Centre, Beijing Street</td>
<td>10,455.6</td>
<td>1994</td>
<td>This ROFR Property is still undergoing major renovations and the Sponsor is still in the process of sourcing for tenants for this ROFR Property, and therefore the income stream has yet to stabilise.</td>
<td>100.0</td>
</tr>
<tr>
<td>Dasin Jinlida Garden Mall (大信金利達花園商場) (&quot;Dasin Jinlida&quot;)</td>
<td>Macau, Foshan Street, Taipa Village</td>
<td>8,661.9</td>
<td>1994</td>
<td>This ROFR Property is currently leased to a university in Macau, the Macau Polytechnic Institute, and is therefore not operated as a real estate property used primarily for retail purposes.</td>
<td>100.0</td>
</tr>
</tbody>
</table>

### Uncompleted ROFR Properties undergoing development

<table>
<thead>
<tr>
<th>ROFR Property</th>
<th>Location</th>
<th>Approximate Size of ROFR Property (Gross Floor Area – sq m)</th>
<th>Expected Date of Commencement of Operations</th>
<th>Reason why the ROFR Property is not suitable for injection into Dasin Retail Trust at the Listing Date</th>
<th>Interest held by the Zhang Vendors (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Henglan Metro Mall (大信新都汇购物中心) (&quot;Henglan Metro Mall&quot;)</td>
<td>Zhongshan City, Heng Lan Town, Chang'an Road</td>
<td>Due to construction, the GFA has yet to be determined.</td>
<td>Fourth quarter of 2017</td>
<td>This ROFR Property is still undergoing construction and has yet to be completed.</td>
<td>100.0</td>
</tr>
<tr>
<td>Sanjiao Metro Mall (大信新都汇三角店) (&quot;Sanjiao Metro Mall&quot;)</td>
<td>Zhongshan City, Sanjiao Town, South Fuyuan Road</td>
<td>Due to construction, the GFA has yet to be determined.</td>
<td>Fourth quarter of 2017</td>
<td>This ROFR Property is still undergoing construction and has yet to be completed.</td>
<td>50.0(1)</td>
</tr>
<tr>
<td>Shiqi Metro Mall No. 2 (大信新都汇二期店) (&quot;Shiqi Metro Mall No. 2&quot;)</td>
<td>Zhongshan City, Shiqi District, South Dasin Road</td>
<td>Due to construction, the GFA has yet to be determined.</td>
<td>Second quarter of 2018</td>
<td>This ROFR Property is still undergoing construction and has yet to be completed.</td>
<td>100.0</td>
</tr>
<tr>
<td>Golden Horse Square (金马广场) (&quot;Golden Horse Square&quot;)</td>
<td>Zhongshan City, Shiqi District, Qingxi Road</td>
<td>Due to construction, the GFA has yet to be determined.</td>
<td>Fourth quarter of 2018</td>
<td>This ROFR Property is still at the development planning stage and has yet to obtain the requisite construction permits.</td>
<td>26.0(2)</td>
</tr>
<tr>
<td>Shaxi Metro Mall (大信新都汇沙溪店) (&quot;Shaxi Metro Mall&quot;)</td>
<td>Zhongshan City, Shaxi Town, Boai Yi Road</td>
<td>Due to construction, the GFA has yet to be determined.</td>
<td>Fourth quarter of 2018</td>
<td>This ROFR Property is still at the development planning stage and has yet to obtain the requisite construction permits.</td>
<td>100.0</td>
</tr>
<tr>
<td>Jinshang Metro Mall (大信新都汇锦上店) (&quot;Jinshang Metro Mall&quot;)</td>
<td>Zhongshan City, Dongfeng Town, Dongfu Road and Houde Road</td>
<td>Due to construction, the GFA has yet to be determined.</td>
<td>Fourth quarter of 2018</td>
<td>This ROFR Property is still undergoing construction and has yet to be completed.</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Notes:**

1. The remaining 50.0% of Sanjiao Metro Mall is held by a third party unrelated to the Zhang Family or the Sponsor.
2. The remaining 74.0% of Golden Horse Square are held by third parties unrelated to the Zhang Family or the Sponsor.
Save for the Zhang Vendors and Mr. Zhang Zhencheng, there are no other members of the Zhang Family or their respective immediate family that hold any income-producing real estate or any property development located in Greater China, which is used primarily for retail purposes, and there are no other members of the Zhang Family or their respective immediate family that hold more than 50.0% of the voting rights of any entity or controls any entity that own any income-producing real estate or any property development located in Greater China, which is used primarily for retail purposes. For the avoidance of doubt, this does not include any income-producing real estate or any property development which would fall outside the investment mandate of Dasin Retail Trust, such as individual retail shop units, which the Sponsor is of the view that, due to the small scale and nature of the retail shop units, are not comparable to retail malls and accordingly are not suitable and would not be regarded to fall within the investment mandate of Dasin Retail Trust. (See, for example, “The Sponsor – Individual Retail Shop Units owned by the Zhang Family and their respective immediate family, and entities in which each of them holds more than 50.0% of the voting rights or controls, in Residential Estates Developed and/or Managed by the Sponsor” of this Prospectus.)

A more detailed description of the ROFR Properties currently operated as retail malls or to be developed into retail malls is as follows:

**Completed ROFR Properties**

- **Dongfeng Metro Mall** – Dongfeng Metro Mall is a large-scale shopping mall situated in the mature commercial centre of Dongfeng Town with high shopper traffic. Its main clientele includes those from Dongfeng Town and the neighbouring towns. It comprises one basement level and four levels above ground.

- **118 Square** – 118 Square is located in the heart of the business district in Xiaolan Town. 118 Square has five levels (including one basement level) of retail shops, leisure and entertainment facilities and F&B outlets. It is served by a convenient transportation system, and the area surrounding 118 Square has the potential for commercial development. The densely populated high-end residential areas and working crowd from the Xiaolan Finance Tower provides 118 Square with consumer traffic.

- **Guzhen Metro Mall** – Guzhen Metro Mall is a seven-storey shopping mall with a basement level of car park space. It also has a standalone car park building. Guzhen Metro Mall provides a variety of shop units, such as a supermarket, leisure and entertainment facilities, a cinema and a karaoke. It is approximately a 50-minute drive away from the Pearl River in Zhuhai, and a one-hour drive away from Hong Kong, Macau, Guangzhou, Shenzhen and Dongguan. Visitors from these areas provide a catchment area for Guzhen Metro Mall.

- **Xinyue Metro Mall** – Xinyue Metro Mall is a mixed development project jointly developed by the Zhang Vendors and Sino-Ocean. Xinyue Metro Mall consists of a retail component comprising a four-storey shopping mall and a four-storey shopping street, as well as a residential component comprising eight bungalows. The shopping mall and shopping street will host a variety of retail shops, including F&B, leisure and entertainment as well as a supermarket. The retail component of Xinyue Metro Mall, as well as two basement levels of car park space, will collectively form part of the ROFR Properties.

- **Pacific Ocean Mall** – Pacific Ocean Mall is a mid-positioned shopping mall that is adjacent to Xiaolan Metro Mall. It has a diversified trade mix including retail, supermarket, F&B, and entertainment. The current anchor tenants include, among others, One Plus One Supermarket.
• **Fusha Metro Mall** – Fusha Metro Mall is a seven-storey shopping mall which comprises two basement levels of car park space and five levels of retail space above ground. It is a large-scale integrated shopping mall situated in the core business area of Fusha Town which caters to the needs of the residents in Fusha Town and the neighbouring towns.

• **Macau Financial Centre** – Macau Financial Centre is an integrated commercial and retail centre comprising office buildings and retail units. It is located at the Macau Beijing Street, which has considerable human traffic. The Sponsor owns three basement levels of retail units and car park space, and retail units of four levels above ground, which collectively form part of the ROFR Properties.

• **Dasin Jinlida** – Dasin Jinlida is located in the central area of Taipa, which is surrounded by hotels such as Royal Ascott and Grandview Hotel, a few supermarkets and a large appliance mall. Dasin Jinlida is easily accessible by the district transportation network.

**Uncompleted ROFR Properties undergoing development**

• **Henglan Metro Mall** – Henglan Metro Mall will be a six-storey shopping mall located near the Zhongjiang high speed exit. The shopping mall is expected to comprise one basement level of car park space and five levels of retail space above ground. It is expected to house an array of retail shops, including leisure and entertainment facilities, and F&B outlets.

• **Sanjiao Metro Mall** – Sanjiao Metro Mall will be a shopping mall comprising a variety of retail shops, including entertainment facilities. It is expected that Sanjiao Metro Mall will propel the development of Sanjiao Town, which currently lacks a large-scale retail space.

• **Shiqi Metro Mall No. 2** – Shiqi Metro Mall No. 2 will be a shopping mall served by a comprehensive transportation network. It is expected that commercial properties, hotels, offices and apartments will be constructed near Shiqi Metro Mall No. 2, which will provide the mall with considerable shopper traffic.

• **Golden Horse Square** – Golden Horse Square will be a shopping mall located at an accessible area with good shopper traffic. It is expected to be a large integrated complex for shopping and recreational activities.

• **Shaxi Metro Mall** – Shaxi Metro Mall will be a shopping mall located near a few residential estates, including Ya Ju Le Century Xin Cheng. It is expected that the residents living in the nearby residential estates will provide high customer traffic to Shaxi Metro Mall. Shaxi Metro Mall will comprise many retail units, including leisure and entertainment facilities and F&B shops.

• **Jinshang Metro Mall** – Jinshang Metro Mall will be a shopping mall located in an accessible area with a convenient transport network. It is expected to comprise a variety of retail units, including F&B and leisure and entertainment facilities.
THE TRUSTEE-MANAGER

THE TRUSTEE-MANAGER OF DASIN RETAIL TRUST

The Trustee-Manager, Dasin Retail Trust Management Pte. Ltd., was incorporated in Singapore under the Companies Act on 14 August 2015. Its registered office is located at 8 Marina Boulevard #14-02 Marina Bay Financial Centre Tower 1, Singapore 018981, and its telephone and facsimile numbers are (65) 6509 8626 and (65) 6509 8625, respectively. The Trustee-Manager has an issued and paid-up capital of S$505,001.00. It is wholly-owned by Mr. Zhang Zhencheng and Shun Fung Investment Limited holding 99.0% and 1.0% of the interests respectively.

Management Reporting Structure of the Trustee-Manager

Board of Directors

Mr. Zhang Zhencheng (Chairman and Non-Executive Director)
Mr. Zhang Zhongming (Non-Executive Director)
Dr. Cao Yong (Lead Independent Director)
Mr. Sun Shu (Independent Director)
Mr. Tan Huay Lim (Independent Director)

Chief Executive Officer

Mr. Yang Bin

Chief Financial Officer

Mr. Ng Mun Fai

General Manager of the Investment Division

Mr. Lu Zhiqi

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1 Shun Fung Investment Limited, a company incorporated in the Macau Special Administrative Region of Mainland China, is wholly-owned by Mr. Zhang Zhencheng.
Board of Directors of the Trustee-Manager

The Board is entrusted with the responsibility for the overall management of the Trustee-Manager, and comprises five Directors. The following table sets forth information regarding the Directors:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Address</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zhang Zhencheng</td>
<td>46</td>
<td>8 Marina Boulevard #14-02 Marina Bay Financial Centre Tower 1 Singapore 018981</td>
<td>Chairman and Non-Executive Director</td>
</tr>
<tr>
<td>Zhang Zhongming</td>
<td>27</td>
<td>8 Marina Boulevard #14-02 Marina Bay Financial Centre Tower 1 Singapore 018981</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td>Cao Yong</td>
<td>62</td>
<td>8 Marina Boulevard #14-02 Marina Bay Financial Centre Tower 1 Singapore 018981</td>
<td>Lead Independent Director</td>
</tr>
<tr>
<td>Sun Shu</td>
<td>64</td>
<td>8 Marina Boulevard #14-02 Marina Bay Financial Centre Tower 1 Singapore 018981</td>
<td>Independent Director</td>
</tr>
<tr>
<td>Tan Huay Lim</td>
<td>60</td>
<td>8 Marina Boulevard #14-02 Marina Bay Financial Centre Tower 1 Singapore 018981</td>
<td>Independent Director</td>
</tr>
</tbody>
</table>

Save for Dr. Cao Yong, who is currently serving as a director of a public-listed company, and Mr. Tan Huay Lim, who is currently serving as a director of three public-listed companies, appropriate arrangements have been made for each of the directors of the Trustee-Manager to orientate each of them in acting as a director of the trustee-manager of a public-listed trust. The Board collectively has the appropriate experience to act as the directors of the Trustee-Manager and is familiar with the rules and responsibilities of a director of a public-listed company and/or manager of a public-listed trust.

As at the Latest Practicable Date, save as disclosed in “The Trustee-Manager – The Trustee-Manager of Dasin Retail Trust – Board of Directors of the Trustee-Manager – Experience and Expertise of the Board of Directors” of this Prospectus, none of the Directors has any family relationship with one another, with any Executive Officers, with any employee of the Trustee-Manager upon whose work Dasin Retail Trust is dependent, with any substantial shareholder of the Trustee-Manager or with any person expected to be a Substantial Unitholder as at the Listing Date.

Each of the Independent Directors of the Trustee-Manager confirms that he is able to devote sufficient time to discharge his duties as an Independent Director of the Trustee-Manager.

**Experience and Expertise of the Board of Directors**

Information on the business and working experience of the Directors is set out below:

**Zhang Zhencheng**

Mr. Zhang Zhencheng is the Chairman and Non-Executive Director of the Board of the Trustee-Manager.
Prior to joining the Trustee-Manager, Mr. Zhang had been an Executive Director at Zhongshan Dasin Holdings Co., Ltd., a wholly-owned subsidiary of the Sponsor, since February 2015 till June 2015, where he was responsible for the investment strategies of the company. Prior to that, from August 2009 to August 2013, Mr. Zhang was Chairman of the Board of the Sponsor and from September 2013 to January 2015, Mr. Zhang held the position of Executive Director and General Manager of the Sponsor. During this time, he was responsible for investment decisions of the Sponsor and the development and management of engineering and commercial projects. From October 2003 to July 2009, Mr. Zhang was the Deputy General Manager of the Sponsor, where he was primarily responsible for the management of construction projects.

Mr. Zhang graduated with a Financial Accounting major from Zhongshan University of Electronic Science and Technology (Zhongshan Institute), PRC, in July 1997.

Mr. Zhang Zhongming is the uncle of Mr. Zhang Zhongming.

Zhang Zhongming

Mr. Zhang Zhongming is a Non-Executive Director of the Board of the Trustee-Manager.

Mr. Zhang has been a Non-Executive Director at Zhongshan Dasin Holdings Co., Ltd. from February 2015 to September 2015, and an Executive Director at Zhongshan Dasin Holdings Co., Ltd. since October 2015 till the present, where he is responsible for analysing investment opportunities and assisting in the making of investment decisions of the company. From March 2013 to January 2015, he was the Assistant General Manager of the Sponsor, where he was responsible for the feasibility and investment analysis of approximately 30 projects, which included the feasibility of the Guzhen Metro Mall project, Shangri-La hotel project and the Sponsor’s proposed investment into Macau. From March 2012 to February 2013, he was the Assistant to the Deputy General Manager of the Sponsor, where he assisted the Deputy General Manager in the examination and analysis of the financial information of the Sponsor and its subsidiaries, and was also responsible for the preparation of the budgets for the various projects undertaken by the Sponsor. Prior to joining the Sponsor, from September 2011 to February 2012, Mr. Zhang was the Assistant General Manager of Zhongshan Microfinance Co., Ltd., where he was responsible for building cooperative relationships with various banks, financial institutions and chambers of commerce, and overseeing the business risk analysis and investigation of various companies before procuring financing for those companies.

Mr. Zhang obtained a Master of Mathematics from the University of Oxford, United Kingdom, in July 2011.

Mr. Zhang Zhongming is the nephew of Mr. Zhang Zhancheng.

Cao Yong

Dr. Cao Yong is the Lead Independent Director of the Trustee-Manager.

Dr. Cao joined Nanyang Technological University, Singapore as a lecturer at the Nanyang Business School in March 1993 and was subsequently appointed Associate Professor. He is currently an Adjunct Associate Professor at Nanyang Business School, where he teaches finance and economics. Dr. Cao is also a Professor at the Nanjing University's Business School in PRC, where he teaches finance and supervises PHD students. His areas of research include finance, risk management and the Chinese economy. Since July 2010, Dr. Cao has been an independent director and chairman of the audit committee at Chinese Global Investors Group Ltd., a Singapore-listed company.
Dr. Cao graduated with a Bachelor of Economics from Sichuan University, PRC, in July 1982. He obtained a Master of Economics from the Chinese Academy of Social Sciences Graduate School, PRC, in July 1985. Between January 1987 and December 1992, Dr. Cao attended the Australia National University in Australia, where he obtained a Master of Economics of Development in January 1989 and a Doctor of Philosophy (Economics) in December 1992.

**Sun Shu**

Mr. Sun Shu is an Independent Director of the Trustee-Manager.

From September 1985 to December 2012, Mr. Sun held various positions in the Bank of China before retiring in January 2013. From August 2002 to December 2012, Mr. Sun was the Secretary of the Disciplinary Examination Committee of the Communist Party of China for the Guangdong Provincial Branch of the Bank of China, where he was responsible for building and managing the internal control system for the bank. Prior to that, from September 1985 to August 2002, Mr. Sun held the position of General Manager in two different departments in the Anhui Provincial Branch of the Bank of China. From September 1985 to February 1997, he was the general manager of the International Settlement Department where he was responsible for checking and issuing export and import documentation of the Anhui Provincial Branch. From February 1997 to December 2002, he was the general manager of the Chaohu City Branch where he was responsible for the management of its business.

Mr. Sun graduated with an English Major from Hefei Normal College, PRC, in July 1980. He also obtained a Masters in Law from the Central China Normal University in Wuhan, PRC, in September 1985.

**Tan Huay Lim**

Mr. Tan Huay Lim is an Independent Director of the Trustee-Manager.

Prior to joining the Trustee-Manager as an Independent Director, Mr. Tan joined KPMG LLP in April 1981 and was admitted as a partner in October 1991. He has over 30 years of experience in the audit of privately-owned enterprises, multi-national corporations and public listed companies, and covered diverse businesses including banking, insurance, manufacturing, trading, fast moving consumer goods, real estate, infrastructure, construction, transport, shipping, mining and oil and gas.

Mr. Tan has been involved in a number of initial public offerings, debt financing and merger and acquisition transactions during his employment at KPMG LLP. He was the Singapore Head of KPMG Global China Practice from September 2010 until his retirement from KPMG LLP on 30 September 2015.

Mr. Tan has been an independent, non-executive director and chairman of the audit committee of Hong Leong Asia Ltd. since 1 January 2016. Mr. Tan has also been an independent, non-executive director of Auric Pacific Group Limited since 1 March 2016, as well as an independent, non-executive director and chairman of the audit committee of China Jinjiang Environment Holding Company Limited 以来 (中国锦江环境控股有限公司) since 29 June 2016. In addition to his directorship appointments at public-listed companies, Mr. Tan has been an Honorary Council Member of the Singapore Chinese Chamber of Commerce and Industry since March 2015, as well as the chairman of the audit committee of Ren Ci Hospital since July 2015.

Mr. Tan graduated with a Bachelor of Commerce (Accountancy) from Nanyang University, Singapore, in 1978. He is a Fellow Member of the Institute of Singapore Chartered Accountants, the Association of Certified Accountants, UK, and the Certified Practising Accountants (Australia).
List of Present and Past Principal Directorships of Directors

A list of the present and past directorships of each Director over the last five years preceding the Latest Practicable Date is set out in “Appendix H – List of Present and Past Principal Directorships of Directors and Executive Officers” of this Prospectus.

Independence of the Board of Directors

The Board will adhere to requirements of the BTA with regard to the independence of the independent directors of the Trustee-Manager (the “Independent Directors”). Under the Business Trusts Regulations, an independent director is either:

- a person who is considered to be independent from management and business relationships with the trustee-manager as well as independent from a substantial shareholder of the trustee-manager pursuant to definitions used in the Business Trusts Regulations; or
- a person whom, notwithstanding that he has the relationships described above, the board of directors of the trustee-manager is satisfied that his independent judgment and ability to act with regard to the interests of all the unitholders of the registered business trust as a whole will not be interfered with, despite such relationships.

None of the Independent Directors of the Trustee-Manager sits on the boards of the principal subsidiaries of Dasin Retail Trust that are based in jurisdictions other than in Singapore.

Key Roles of the Board of Directors

The key roles of the Board are to:

- guide the corporate strategy and directions of the Trustee-Manager;
- ensure that senior management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise; and
- oversee the proper conduct of the Trustee-Manager.

The Board comprises five Directors. The Audit and Risk Committee comprises Mr. Tan Huay Lim, Mr. Sun Shu and Dr. Cao Yong. Mr. Tan Huay Lim will assume the position of Chairman of the Audit and Risk Committee.

The Board will meet to review the key activities and business strategies of the Trustee-Manager. The Board intends to meet regularly, at least once every three months to deliberate the strategic policies of Dasin Retail Trust, including acquisitions and disposals, hedging activities, approve the annual budget and review the performance of Dasin Retail Trust. The Board will also review Dasin Retail Trust’s key financial risk areas, and the outcome of these reviews will be disclosed in Dasin Retail Trust’s annual report or, where the findings are material, immediately announced via SGXNET.

Each Director has been appointed on the basis of his professional experience and his potential to contribute to the proper guidance of Dasin Retail Trust. The Directors will contribute in different ways, including using their personal networks to further the interests of Dasin Retail Trust.

The Board will have in place a set of internal controls which sets out approval limits for capital expenditure, investments and divestments and bank borrowings as well as arrangements in relation to cheque signatories. In addition, sub-limits are also delegated to various management levels to facilitate operational efficiency.
KPMG Services Pte Ltd was also engaged to develop an Enterprise Risk Assessment and Assurance Framework to help the Board formally identify the key risks, the related mitigation measures and sources of assurance currently available to the Board and the Audit and Risk Committee.

Taking into account the above and the fact that Dasin Retail Trust was constituted on 15 January 2016 and only acquired the Initial Portfolio soon after, the Board, after making all reasonable enquiries and to the best of its knowledge and belief, with the concurrence of the Audit and Risk Committee, is of the opinion that the internal controls as further described in:

- “Corporate Governance – Composition of the Board”;
- “Corporate Governance – Composition of the Board – Independence of Directors”;
- “Corporate Governance – Corporate Governance of the Trustee-Manager”;
- “Corporate Governance – Corporate Governance of the Trustee-Manager – Board of Directors”;
- “Corporate Governance – Corporate Governance of the Trustee-Manager – Audit and Risk Committee”;
- “Corporate Governance – Corporate Governance of the Trustee-Manager – Compliance Officer”;
- “Corporate Governance – Corporate Governance of the Trustee-Manager – Dealsings in Units”;
- “Corporate Governance – Corporate Governance of the Trustee-Manager – Management of Business Risk”;
- “Interested Person Transactions and Potential Conflicts of Interest – Potential Conflicts of Interest”;
- “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions – The Trustee-Manager’s Internal Controls System”;
- “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions – Role of the Audit and Risk Committee for Interested Person Transactions”;
- “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions – Present and Ongoing Interested Person Transactions – Interested Person Transactions in Connection with the Setting up of Dasin Retail Trust and the Offering”;
- “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions – Present and Ongoing Interested Person Transactions – Exempted Agreements”; and
- “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions – Future Interested Person Transactions”,

are adequate in addressing financial, operational and compliance risks faced by Dasin Retail Trust.

Changes to regulations and accounting standards are monitored closely by the members of the Audit and Risk Committee (See “Corporate Governance – Corporate Governance of the Trustee-Manager – Audit and Risk Committee” of this Prospectus for further details). To keep pace
with regulatory changes, where these changes have an important bearing on the Trustee-Manager’s or Directors’ disclosure obligations, the Directors will be briefed either during Board meetings or at specially convened sessions involving the relevant professionals.

Management also provides the Board with complete and adequate information in a timely manner through regular updates on financial results, market trends and business developments.

Three of the five Directors, which comprise the majority of the Board, are non-executive Directors and are independent of the management. This enables the management to benefit from their external, diverse and objective perspective on issues that are brought before the Board. It would also enable the Board to interact and work with the management through a robust exchange of ideas and views to help shape the strategic process. This, together with a clear separation of the roles of the Chairman and the chief executive officer of the Trustee-Manager, provides a healthy professional relationship between the Board and the management, with clarity of roles and robust oversight as they deliberate on the business activities of the Trustee-Manager.

The positions of Chairman of the Board and chief executive officer of the Trustee-Manager are separately held by two persons in order to maintain an effective check and balance. The Chairman of the Board is Mr. Zhang Zhencheng while the chief executive officer of the Trustee-Manager is Mr. Yang Bin.

There is a clear separation of the roles and responsibilities between the Chairman and the chief executive officer of the Trustee-Manager. The Chairman is responsible for the overall management of the Board as well as ensuring that the members of the Board and the management work together with integrity and competency, and that the Board engages the management in constructive debate on strategy, business operations, enterprise risk and other plans while the chief executive officer of the Trustee-Manager has full executive responsibilities over the business directions and operational decisions in the day-to-day management of the Trustee-Manager.

The Board has separate and independent access to senior management and the company secretaries at all times. The company secretaries attend to corporate secretarial administration matters and attend all Board meetings. The Board also has access to independent professional advice where appropriate. As at the date of this Prospectus, the company secretaries are Ms. Chan Wan Mei and Ms. Gan Lee Teng, both of whom are members of the Chartered Secretaries Institute of Singapore (formerly known as Singapore Association of the Institute of Chartered Secretaries and Administrators).

**Executive Officers of the Trustee-Manager**

The Executive Officers are entrusted with the responsibility for the daily operations of the Trustee-Manager.

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Address</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yang Bin</td>
<td>48</td>
<td>8 Marina Boulevard #14-02 Marina Bay Financial Centre Tower 1 Singapore 018981</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Ng Mun Fai</td>
<td>42</td>
<td>8 Marina Boulevard #14-02 Marina Bay Financial Centre Tower 1 Singapore 018981</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Lu Zhiqi</td>
<td>34</td>
<td>8 Marina Boulevard #14-02 Marina Bay Financial Centre Tower 1 Singapore 018981</td>
<td>General Manager of the Investment Division</td>
</tr>
</tbody>
</table>
Experience and Expertise of the Executive Officers

Yang Bin

Mr. Yang Bin is the chief executive officer of the Trustee-Manager.

Prior to joining the Trustee-Manager, Mr. Yang has held senior positions in several companies in and outside of PRC. Between 1994 and 1998, Mr. Yang played a key role in China Aviation Oil Holding, where he helped to establish the South China Blue Sky Aviation Oil and became its Head of Finance. From August 2003 to November 2007, Mr. Yang joined China Aviation Oil (Singapore) Co. Ltd. as an assistant to the CEO. Mr. Yang was also a member of the restructuring team tasked to rebuild the company between October 2004 and March 2006. After leaving China Aviation Oil (Singapore) Co. Ltd. in November 2007, he took on the role of CEO of an investment group based in Munich, Germany, between January 2008 and August 2010. From August 2010 to October 2011, Mr. Yang was the Chief Financial Officer of China BOCO Oil, a Hong Kong-incorporated company, where he was responsible for leading a team tasked to handle the company’s listing on the Canadian Stock Exchange. From November 2011 to December 2012, Mr. Yang was the President of Titan Shipyard Ltd in PRC, where he was responsible for the overall management of the company and led a successful equity and liability restructuring of the company. Between April 2013 and May 2014, Mr. Yang helped to establish the Fosun Energy Group in PRC and was the Deputy General Manager and Chief Financial Officer of Fosun Energy Group, where he was responsible for leading investment teams dealing in industries ranging from oil and gas, renewable energy, chemicals and finance. At Fosun Energy Group, Mr. Yang also oversaw global mergers and acquisitions and investments, completed successfully the privatisation of a listed company of considerable size, and completed the equity investments in a number of PRC state-owned companies and the acquisition of projects inside and outside of PRC. From June 2014 to May 2015, Mr. Yang was a private investor focusing on venture capital investments in companies in the real estate and internet business. From June 2015 to the present, Mr. Yang has been an IPO team member of the Sponsor, where he assists the Sponsor in the listing of Dasin Retail Trust.

Mr. Yang graduated with a Bachelor of Economics from Guangdong Commercial College, PRC, in June 1992. In July 2003, Mr. Yang obtained his Masters of Business Administration from Sun Yat-Sen University in PRC. Mr. Yang received the Senior Accountant accreditation from PRC Examination and Appraisal Committee for Professional and Technical Titles in December 2002.

Ng Mun Fai

Mr. Ng Mun Fai is the Chief Financial Officer of the Trustee-Manager.

Mr. Ng has more than 17 years of experience in accounting and financial-related work, including group accounting and reporting, accounting system implementation, compliance, strategic planning and financial statements preparation.

Prior to joining the Trustee-Manager, Mr. Ng was a Senior Audit Manager with KPMG LLP, Singapore for more than eight years, from December 2006 to September 2015, where he provided audit services to public listed companies, subsidiaries, foreign multinationals, government-linked and private companies in real estate, manufacturing, consumer and industrial market industries. During this period, he was also responsible for the audit of a number of commercial, industrial and hospitality real estate investment and business trusts. During his employment, Mr. Ng was appointed as head of the “Real Estate, Consumer and Tourism” business unit in 2011 where he served till 2013. He was responsible for operational efficiencies and also oversaw critical functions of the business unit. Between 2008 and 2011, Mr. Ng was department head for an audit unit where he was in charge of overseeing an audit unit of around 70 staff members.
From December 2003 to December 2006, Mr. Ng was an Audit Manager with KPMG in Kuala Lumpur, Malaysia, where he was responsible for planning audit work and also supervising the preparation of financial statements and regulatory reports. Prior to that, he was an Assistant Audit Manager with Ernst & Young in Malaysia from September 1998 to December 2003 where he assisted in preparing statutory financial statements and undertook audit procedures for audit assignments.

Mr. Ng obtained a Bachelor of Commerce from Griffith University, Australia, in September 1998. He has been a non-practising Chartered Accountant with the Institute of Singapore Chartered Accountants since July 2013, and a Chartered Accountant with the Malaysian Institute of Accountants since July 2003. In addition, he is a member of CPA Australia, the Malaysian Institute of Accountants, the Malaysian Institute of Certified Public Accountants, the Malaysian Institute of Taxation and the Malaysia Association of Company Secretaries.

After making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of the members of the Audit and Risk Committee to cause them to believe that Mr. Ng does not have the competence, character and integrity expected of a Chief Financial Officer of the Trustee-Manager. The Audit and Risk Committee is of the opinion that Mr. Ng is suitable as the Chief Financial Officer on the basis of his qualifications and relevant past experience.

Lu Zhiqi

Mr. Lu Zhiqi is the General Manager of the Investment Division of the Trustee-Manager.

Prior to joining the Trustee-Manager, Mr. Lu was the General Manager of Investment & Planning Department at Kaisa Commercial Group Co., Ltd. from July 2014 till October 2015, where he was in charge of investment and capital sourcing for the group commercial unit, as well as product planning for the commercial assets. From July 2013 to July 2014, he was the Investment director of Thaihot Group Co., Ltd., where he was responsible for investment affairs in the Guangdong area. From December 2007 to July 2013, Mr. Lu was the Manager of Investment and Asset Management at CapitaLand China Holding Ltd, where he led a regional team in a number of investment and asset management assignments, such as the acquisition of shares in Panyu LiFung Industrial Estate by CapitaLand, and the divestment of Guangzhou Ascott to Ascott Holding. From April 2005 to February December 2007, he was with Evergrande Real Estate Group Limited, where he was Investment Supervisor from April 2005 to February 2006 and was responsible for conducting investment affairs in the Pearl River Delta area and Assistant Manager of Investment and Development from February 2006 to December 2007 where he was responsible for regional investment and project development affairs in the Kunming branch.

Mr. Lu graduated with a Bachelor of Civil Engineering from Anhui University of Science & Technology, PRC, in July 2003. He also obtained a Master of Business Administration from Hong Kong Baptist University, Hong Kong, in November 2012.

List of Present and Past Principal Directorships of Executive Officers

A list of the present and past directorships of each executive officer of the Trustee-Manager over the last five years preceding the Latest Practicable Date is set out in “Appendix H – List of Present and Past Principal Directorships of Directors and Executive Officers” of this Prospectus.
**Key Roles of the Executive Officers**

The **chief executive officer** of the Trustee-Manager will work with the Board to determine the strategy for Dasin Retail Trust. He will also work with the other members of the Trustee-Manager’s management team, such as the investment, asset management, financial and compliance personnel, in meeting the stated strategic, investment, and operational objectives of Dasin Retail Trust. Additionally, the Chief Executive Officer will be responsible for planning the future strategic development and the day-to-day operations of Dasin Retail Trust.

The **chief financial officer** of the Trustee-Manager will work with the chief executive officer and other members of the Trustee-Manager’s management team to formulate strategic plans for Dasin Retail Trust in accordance with the Trustee-Manager’s stated investment strategy. The chief financial officer of the Trustee-Manager will be responsible for applying the appropriate capital management strategy, overseeing implementation of Dasin Retail Trust’s short-term and medium-term business plans and financial condition, as well as coordinating fund management activities. The chief financial officer of the Trustee-Manager will also be responsible for preparing the consolidated accounts of Dasin Retail Trust. As Dasin Retail Trust’s assets are currently all located in PRC, the chief financial officer of the Trustee-Manager will be assisted by the finance staff in PRC in relation to the preparation of the accounts of the PRC Property Companies and Rental Management Companies.

In addition, the chief financial officer of the Trustee-Manager will also work closely with the chief executive officer of the Trustee-Manager and assist in all investor relations, corporate communications and marketing with Unitholders, regulators and the investment community. This includes producing the annual reports to Unitholders. The chief financial officer of the Trustee-Manager will formulate strategic communication plans to create value for Unitholders and work closely with the Commercial Manager, which is responsible for the marketing and promoting of the Properties to prospective investors and the media through its marketing communications. In addition to this, the chief financial officer of the Trustee-Manager seeks to ensure adherence to corporate governance standards and provides a service to Unitholders by maintaining continuous disclosure and transparent communications with Unitholders and the market.

The **general manager of the Investment Division** of the Trustee-Manager is responsible for sourcing and identifying new acquisition opportunities with a view to enhancing the value of Dasin Retail Trust’s portfolio, or divestments where a satisfactory rate of return is not expected or a property which is no longer strategic, fails to enhance the value of Dasin Retail Trust’s portfolio or fails to be NAV-accretive. In order to support these various initiatives, financial models have to be developed to test the financial impact of different courses of action in close collaboration with the asset manager. Upon each acquisition, the general manager of the Investment Division of the Trustee-Manager is also responsible for structuring optimum legal, tax and capital structures to achieve the investment objectives and obtaining the most appropriate debt funding available in the markets.
Remuneration of the Directors and Executive Officers of the Trustee-Manager

The remuneration paid or estimated to be paid by the Trustee-Manager or subsidiaries of Dasin Retail Trust for services rendered by the Directors and Executive Officers to the Trustee-Manager, Dasin Retail Trust and the related corporations and entities of Dasin Retail Trust, on an individual basis in remuneration bands of the equivalent of S$250,000, for each of FY2014 and FY2015 (being the last two most recent completed financial years) and the estimate of the same for FY2016 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Remuneration for FY2014(1)(2)</th>
<th>Remuneration for FY2015(1)(2)</th>
<th>Estimated Remuneration for FY2016(1)(2)</th>
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</thead>
<tbody>
<tr>
<td><strong>Directors</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Zhang Zhencheng</td>
<td>–</td>
<td>Band A</td>
<td>Band A</td>
</tr>
<tr>
<td>Zhang Zhongming</td>
<td>–</td>
<td>Band A</td>
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<tr>
<td>Sun Shu</td>
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<td>Band A</td>
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<tr>
<td>Cao Yong</td>
<td>–</td>
<td>Band A</td>
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<tr>
<td>Tan Huay Lim</td>
<td>–</td>
<td>Band A</td>
<td>Band A</td>
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<tr>
<td><strong>Executive Officers</strong></td>
<td></td>
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</tr>
<tr>
<td>Yang Bin</td>
<td>–</td>
<td>Band B</td>
<td>Band B</td>
</tr>
<tr>
<td>Ng Mun Fai</td>
<td>–</td>
<td>Band A</td>
<td>Band A</td>
</tr>
<tr>
<td>Lu Zhiqi</td>
<td>–</td>
<td>Band A</td>
<td>Band A</td>
</tr>
</tbody>
</table>

**Notes:**

(1) Remuneration includes any benefits in kind and any deferred compensation accrued for the relevant financial year and payable at a later date.

(2) “Band A” refers to remuneration below or equal to the equivalent of S$250,000. “Band B” refers to remuneration between the equivalent of S$250,001 and S$500,000. “Band C” refers to remuneration between the equivalent of S$500,001 and S$750,000. “D” refers to remuneration between the equivalent of S$750,001 and S$1,000,000.

All remuneration and compensation payable to the Directors and the Executive Officers in respect of services rendered to the Trustee-Manager will be paid by the Trustee-Manager, and not out of the Trust Property.

The Trustee-Manager has not set aside or accrued any amounts for its employees to provide for pension, retirement or similar benefits.

No compensation is payable to any Director or Executive Officer in the form of options in Units or pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement under the service contracts.

**Employees of the Trustee-Manager**

On the Listing Date, the Trustee-Manager will have six employees, comprising three Executive Officers and one Human Resource and Administration Director, one Investor Relations and Public Relations Manager and one Human Resource and Administration Assistant Manager. (See “The Trustee-Manager – The Trustee-Manager of Dasin Retail Trust – Executive Officers of the Trustee-Manager” of this Prospectus for further details on the three Executive Officers.)

As at the Latest Practicable Date, the employees of the Trustee-Manager are not unionised.
Service Agreements

None of the Directors has entered, or proposes to enter, into service agreements with the Trustee-Manager or any subsidiary or subsidiary entity of Dasin Retail Trust.

Constituent Documents of the Trustee-Manager

Certain key provisions of the Constitution of the Trustee-Manager are set out below.

A Director shall not vote on any proposal, arrangement or contract in which he is interested

Each Director who is, directly or indirectly, interested in a transaction or proposed transaction with the Trustee-Manager has to, as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest at a meeting of the Board. A Director shall not vote in respect of any transaction, contract or arrangement or any other proposal in which he has any personal material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is disbarred from voting.

The borrowing powers exercisable by the Trustee-Manager (acting in its capacity as the trustee-manager of Dasin Retail Trust) and how such borrowing powers may be varied

Pursuant to the Constitution of the Trustee-Manager, the Trustee-Manager has all full rights, powers and privileges to carry on or undertake any business or activity, do any act or enter into any transaction subject to the provisions of the Companies Act, the BTA and any other written law, in this case, the business of acting as the trustee-manager of Dasin Retail Trust.

Section 28(4) of the BTA prohibits the Trustee-Manager from borrowing on behalf of Dasin Retail Trust unless the power of borrowing is conferred upon it by the Trust Deed. Clause 8.12.1 of the Trust Deed empowers the Trustee-Manager to, whenever it considers it desirable in the interests of Unitholders to do so or for the purpose of enabling the Trustee-Manager to meet any contractual obligations or liabilities under or in connection with the trusts of the Trust Deed or with any investment of Dasin Retail Trust or for the purpose of financing the conduct, carrying on or furtherance of any business undertaken by Dasin Retail Trust or for the purpose of financing or facilitating any distributions to Unitholders or financing the repurchase and/or redemption of Units by the Trustee-Manager or for any other purpose deemed desirable by the Trustee-Manager in connection with any business undertaken by Dasin Retail Trust or any asset of Dasin Retail Trust, lend, borrow or raise moneys (upon such terms and conditions as it thinks fit, including, without limitation, raising moneys by the issuance of securities or the incurrence of borrowings involving the charging, mortgaging or creating security over all or any of the investments, assets or rights of Dasin Retail Trust or by issuing debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Trustee-Manager, as the trustee-manager of Dasin Retail Trust) and, pursuant to the policies of Dasin Retail Trust on hedging transactions which have been approved by the Board, enter into swap derivative transactions for the management of foreign exchange and/or interest rate risks and as otherwise permitted under the Trust Deed. The Trustee-Manager may secure the repayment of such moneys and interest costs and other charges and expenses in such manner and upon such terms and conditions as the Trustee-Manager may think fit and provide such priority, subordination or sharing of any liabilities owing to Dasin Retail Trust in such manner and upon such terms and conditions as the Trustee-Manager may think fit provided that the Trustee-Manager shall not be required to execute any instrument, lien, charge, pledge, hypothecation, mortgage or agreement in respect of the lending, borrowing or raising of moneys which (in its opinion) would render Dasin Retail Trust's liability to extend beyond it being limited to the Trust Property.

Dasin Retail Trust has in the Trust Deed voluntarily adopted an aggregate leverage limit of 60.0% of the value of the Trust Property.
Any variation of the borrowing powers as contained in the Trust Deed would require the approval of the Unitholders by way of an Extraordinary Resolution held at a Unitholders' general meeting convened in accordance with the Trust Deed and such other regulatory approvals as may be required to vary the terms of the Trust Deed.

**The retirement or non-retirement of a Director under an age limit requirement**

The Constitution of the Trustee-Manager does not specify an age limit beyond which a Director shall retire.

**The number of Units, if any, required for the qualification of a Director**

A Director is not required to hold any Units to qualify as a Director.

**Retirement of Directors**

The appointment of the Directors will continue until such time as they resign, are required to vacate their office as directors, or are removed by way of an ordinary resolution of the shareholder(s) of the Trustee-Manager, in each case, in accordance with the Constitution of the Trustee-Manager.

**Roles and Responsibilities of the Trustee-Manager**

The Trustee-Manager has the dual responsibility of safeguarding the interests of Unitholders, and managing the business conducted by Dasin Retail Trust. The Trustee-Manager has general powers of management over the business and assets of Dasin Retail Trust and its main responsibility is to manage Dasin Retail Trust's assets and liabilities for the benefit of Unitholders as a whole.

The Trustee-Manager will set the strategic direction of Dasin Retail Trust and decide on the acquisition, divestment or enhancement of assets of Dasin Retail Trust in accordance with its stated investment strategy. Additionally, the Trustee-Manager will undertake active management of Dasin Retail Trust's assets to enhance the performance of the portfolio. It will also undertake capital and risk management strategies in order to maintain a strong balance sheet for Dasin Retail Trust.

The Trustee-Manager is also obliged to exercise the degree of care and diligence required of a trustee-manager of a registered business trust ("Due Care") to comply with the applicable provisions of all relevant legislation, as well as the Listing Manual, and is responsible for ensuring compliance with the Trust Deed and all relevant contracts entered into by the Trustee-Manager on behalf of Dasin Retail Trust.

Furthermore, the Trustee-Manager will prepare property plans on a regular basis, which may contain proposals and forecasts on net income, capital expenditure, sales and valuations, explanations of major variances to previous forecasts, written commentary on key issues and any relevant assumptions. The purpose of these plans is to explain the performance of Dasin Retail Trust's properties.

The Trustee-Manager, in exercising its powers and carrying out its duties as Dasin Retail Trust's Trustee-Manager, is required to:

- treat Unitholders who hold Units in the same class fairly and equally;
- ensure that all payments out of the Trust Property are made in accordance with the BTA and the Trust Deed;
• report to the Authority any contravention of the BTA or the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 (the “SF BT Regulations”) by any other person that:

(i) relates to Dasin Retail Trust; and

(ii) has had, has or is likely to have, a material adverse effect on the interests of all Unitholders, or any class of Unitholders, as a whole, as soon as practicable after the Trustee-Manager becomes aware of the contravention;

• ensure that the Trust Property is properly accounted for; and

• ensure that the Trust Property is kept distinct from the property held in its own capacity.

The Board will meet regularly to review Dasin Retail Trust’s business activities and strategies pursuant to its then prevailing investment strategy. Such regular review is aimed at ensuring adherence to the Trust Deed and compliance with any applicable legislation, regulations and guidelines. The Trustee-Manager also has the following statutory duties under the BTA:

• at all times act honestly and exercise reasonable diligence in the discharge of its duties as Dasin Retail Trust’s trustee-manager in accordance with the BTA and the Trust Deed;

• act in the best interests of all Unitholders as a whole and give priority to the interests of all Unitholders as a whole over its own interests in the event of a conflict between the interests of all the Unitholders as a whole and its own interests;

• not make improper use of any information acquired by virtue of its position as Dasin Retail Trust’s trustee-manager to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the Unitholders; and

• hold the Trust Property on trust for all Unitholders as a whole in accordance with the terms of the Trust Deed.

Should the Trustee-Manager contravene any of the provisions setting out the aforesaid duties, it is:

• liable to all Unitholders as a whole for any profit or financial gain directly or indirectly made by it or any of its related corporations or for any damage suffered by all Unitholders as a whole as a result of the contravention; and

• be guilty of an offence and shall be liable on conviction to a fine not exceeding S$100,000.00.

While the Trustee-Manager is required to be dedicated to the conduct of the business of Dasin Retail Trust, it is not prohibited from delegating its duties and obligations to third parties. Save for an instance of fraud, wilful default or breach of trust by the Trustee-Manager or where the Trustee-Manager fails to exercise Due Care, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the Trust Deed. In addition, the Trustee-Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be subject to as the trustee-manager of Dasin Retail Trust, to have recourse to the Trust Property or any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, wilful default or breach of trust by the Trustee-Manager or by the failure of the Trustee-Manager to exercise Due Care. The Trustee-Manager may, in managing Dasin Retail Trust and in carrying out and performing its duties and obligations under the Trust Deed, appoint such person to exercise any or all of its powers and discretions and to perform all or any of its
obligations under the Trust Deed, and shall not be liable for all acts and omissions of such persons provided that the Trustee-Manager had exercised Due Care in selecting as well as monitoring such persons.

**Fees payable to the Trustee-Manager**

The fees payable to the Trustee-Manager in respect of its services to Dasin Retail Trust are set out below. The Trustee-Manager may direct that all or a portion of any fees payable to the Trustee-Manager are paid directly to any other third parties.

**Management Fees**

The Trustee-Manager is entitled under the Trust Deed to the following Management Fees:

(i) a Base Fee calculated at a rate in accordance with the following formula: (i) if the value of the Trust Property is less than or equal to S$10.0 billion, the Base Fee will be 0.25% per annum of the value of the Trust Property; and (ii) if the value of the Trust Property is greater than S$10.0 billion, the Base Fee will be (a) 0.25% per annum of the value of the Trust Property up to S$10.0 billion; plus 0.20% per annum of the value of the Trust Property which exceeds S$10.0 billion; and

(ii) a Performance Fee calculated at a rate of 25.0% of the difference in DPU in a financial year with the DPU in the preceding full financial year (calculated before accounting for the Performance Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

For the purposes of calculating the Base Fee only, the value of the Trust Property shall not include the value of the investments in vacant land and uncompleted property\(^1\) developments by Dasin Retail Trust. For the avoidance of doubt, the land costs of such uncompleted property development will not be included in the computation of value of the Trust Property for the purposes of calculating the Base Fee.

The Performance Fee is payable if the DPU of Dasin Retail Trust in any financial year exceeds the DPU of Dasin Retail Trust in the preceding full financial year, notwithstanding that the DPU of Dasin Retail Trust in the financial year where the Performance Fee is payable may be less than the DPU in any financial year prior to the preceding full financial year\(^2\).

For the purpose of the computation of the Performance Fee only, the DPU shall be calculated based on all income of Dasin Retail Trust arising from the operations of Dasin Retail Trust, such as, but not limited to, rentals, interest, dividends, and other similar payments or income arising from the authorised investments of Dasin Retail Trust but shall exclude any one-off receipt of Dasin Retail Trust such as any gain arising from any sale or disposal of (i) any real estate (whether directly or indirectly through SPVs or any part thereof), and (ii) any investments forming part of the value of the Trust Property or any part thereof\(^3\).

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\(^1\) An “uncompleted property” is one that has not been granted a temporary occupation permit or equivalent by the relevant authorities.

\(^2\) As an illustration, if the DPU is 5.20 cents in Year 1, 5.10 cents in Year 2 and 5.15 cents in Year 3, Performance Fee is payable in relation to Year 3 as the DPU for Year 3 exceeds Year 2, notwithstanding that the DPU for Year 3 is less than the DPU for Year 1.

\(^3\) The rationale for computing the DPU in the manner described above is to ensure that the measure of the Trustee-Manager’s performance is based on the recurring income of Dasin Retail Trust arising from the operations as opposed to one-off income such as a sale or disposal of assets which may skew the DPU in a relevant financial year.
No performance fee is payable for Forecast Year 2017. For Projection Year 2018, the difference in DPU shall be the difference in actual DPU in such FY with the projected DPU as set out in “Profit Forecast and Profit Projection”.

Any increase in the rates set out above or any change in the formula for calculation of the Trustee-Manager’s management fees must be approved by an Extraordinary Resolution passed at a Unitholders’ meeting duly convened and held in accordance with the provisions of the Trust Deed.

The Management Fees are payable to the Trustee-Manager in the form of cash and/or Units in such proportion as may be determined by the Trustee-Manager. For Forecast Year 2017 and Projection Year 2018, the Trustee-Manager has elected to receive 100.0% of the Management Fees in Units.

**Acquisition Fees/Divestment Fees**

The Trustee-Manager is also entitled to receive for its own account out of the Trust Property:

(i) an acquisition fee of 0.75% for acquisitions from Related Parties¹ and 1.0% for all other cases of each of the following as is applicable (subject to there being no double-counting):

(a) in the case of an acquisition of real estate, the acquisition price of such real estate purchased by Dasin Retail Trust, whether directly or indirectly through one or more special purpose vehicles (plus any other payments in addition to the acquisition price made by Dasin Retail Trust or its special purpose vehicles to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of Dasin Retail Trust’s interest);

(b) in the case of an acquisition of the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value of such real estate which is taken into account when computing the acquisition price payable for the equity interests of such vehicle holding directly or indirectly the real estate purchased by Dasin Retail Trust, whether directly or indirectly (plus any other payments made by Dasin Retail Trust or its special purpose vehicles to the vendor in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of Dasin Retail Trust’s interest); or (c) the acquisition price of any other asset forming a part of the Trust Property acquired by the Trustee-Manager on behalf of Dasin Retail Trust;

(ii) a divestment fee of 0.5% of each of the following as is applicable (subject to there being no double-counting):

(a) the sale price of real estate sold or divested, whether directly or indirectly through one of more special purpose vehicles, by Dasin Retail Trust (plus any other payments in addition to the sale price received by Dasin Retail Trust or its special purpose vehicles from the purchaser in connection with the sale or divestment of the real estate) (pro-rated, if applicable to the proportion of Dasin Retail Trust’s interest);

¹ “Related Party” refers to an “interested person” as defined in the Listing Manual.
(b) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested, whether directly or indirectly through one or more special purpose vehicles, by Dasin Retail Trust (plus any other payments received by Dasin Retail Trust or its special purpose vehicles from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated, if applicable to the proportion of Dasin Retail Trust's interest); and

(c) the sale price of any other asset forming a part of the Trust Property sold or divested by the Trustee-Manager on behalf of Dasin Retail Trust.

The acquisition fee and the divestment fee (regardless of whether the real estate is acquired from, or disposed to, a Related Party\(^1\)) are payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect) at the prevailing market price.

No acquisition fee is payable for the acquisition of the Initial Portfolio and Shiqi Metro Mall. Acquisition fees will be payable for the acquisition of the Doumen Metro Mall Development Project.

The acquisition fee and the divestment fee are payable as soon as practicable after completion of the acquisition or sale or disposal, as the case may be.

Any payment to third party agents or brokers in connection with the acquisition or divestment of any asset of Dasin Retail Trust shall be paid by the Trustee-Manager to such persons out of the Trust Property or the assets of the relevant special purpose vehicle, and not out of the acquisition fee or divestment fee (as the case may be) received or to be received by the Trustee-Manager.

Any increase in the rates set out above or any change in the formula for calculation of the Trustee-Manager's acquisition fee or divestment fee must be approved by an Extraordinary Resolution passed at the Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

**Trustee Fee**

Under the Trust Deed, the Trustee-Manager is entitled to a Trustee Fee in cash of up to 0.02% per annum of the value of the Trust Property, to be paid quarterly.

Any increase in the rates set out above or any change in the formula for calculation of the Trustee Fee must be passed by an Extraordinary Resolution at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

The Trustee Fee is payable to the Trustee-Manager in the form of cash and/or Units in such proportion as may be determined by the Trustee-Manager. For Forecast Year 2017 and Projection Year 2018, the Trustee-Manager has elected to receive 100.0% of the Trustee Fee in Units.

**Retirement or Removal of the Trustee-Manager**

Under the BTA, the Trustee-Manager may be removed, as the trustee-manager of Dasin Retail Trust, by the Unitholders only by an Extraordinary Resolution or it may resign as trustee-manager. The BTA further prescribes that any removal or resignation of the Trustee-Manager must be made in accordance with the requirements and procedures as the MAS may prescribe. Any purported change of the trustee-manager of a registered business trust is ineffective unless it is made in accordance with the BTA.

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\(^1\) "Related Party" refers to an "interested person" as defined in the Listing Manual.
Regulation 15 of the Business Trusts Regulations prescribes that for the purposes of removal of the Trustee-Manager:

(i) Unitholders may request a meeting to vote on a resolution to remove the Trustee-Manager if these Unitholders represent Unitholders holding at the date of the requisition of the resolution not less than 10% of the total voting rights of all Unitholders having at that date a right to vote;

(ii) Within 7 days of receiving a requisition, the Trustee-Manager shall give to Unitholders notice of the requisition and, in the notice, inform Unitholders of their right to nominate a company;

(iii) Unitholders may nominate a company which has consented in writing to serve as the replacement trustee-manager of Dasin Retail Trust, and which satisfies the requirements of the BTA, for approval to be appointed as the trustee-manager of Dasin Retail Trust if:

(a) these Unitholders represent Unitholders holding at the date of nomination not less than 10% of the total voting rights of all Unitholders having at that date a right to vote; and

(b) the nomination is served on the Trustee-Manager not more than 21 days after the date of the notice of the requisition.

(iv) Upon the expiry of 21 days after the date of notice of the requisition, the Trustee-Manager shall:

(a) call a general meeting of Unitholders within 28 days; and

(b) give to Unitholders notice of the meeting and any resolution to be raised at that meeting not less than 14 days before the meeting.

Regulation 14 of the Business Trusts Regulations prescribes that for the purposes of resignation of the Trustee-Manager:

(i) The Trustee-Manager shall give notice of its intention to resign to all Unitholders, and shall:

(a) state in the notice its reason for resigning;

(b) nominate another company, which has consented in writing to serve as the replacement trustee-manager of Dasin Retail Trust and which satisfies the requirements of the BTA, for approval to be appointed as the replacement trustee-manager; and

(c) in the notice, inform Unitholders of their right to nominate a company to be appointed as the replacement trustee-manager of Dasin Retail Trust.

(ii) Unitholders may nominate a company which has consented in writing to serve as the replacement trustee-manager of Dasin Retail Trust, and which satisfies the requirements of the BTA, for approval to be appointed as the replacement trustee-manager of Dasin Retail Trust if:

(a) these Unitholders represent Unitholders holding at the date of nomination not less than 10% of the total voting rights of all Unitholders having at that date a right to vote; and
(b) the nomination is served on the Trustee-Manager not more than 21 days after the date of the notice of the requisition.

(iii) Upon the expiry of 21 days after the date of notice given by the Trustee-Manager, the Trustee-Manager shall:

(a) Call a general meeting of Unitholders within 28 days; and

(b) Give to Unitholders notice of the meeting and any resolution to be raised at that meeting not less than 14 days before the meeting.

(iv) The replacement trustee-manager shall not be appointed without the approval of Unitholders holding in aggregate not less than a majority of the voting rights of all the Unitholders who, being entitled to do so, vote in person or by proxy present at a meeting of the Unitholders. If the Unitholders do not approve the appointment of any of the companies nominated to act of trustee-manager of Dasin Retail Trust in place of the Trustee-Manager, the Trustee-Manager shall apply to the court for the appointment of a temporary trustee-manager of Dasin Retail Trust.

The Trustee-Manager will remain the trustee-manager of Dasin Retail Trust until another person is appointed by:

(i) the Unitholders to be the trustee-manager of Dasin Retail Trust; or

(ii) by the court under Section 21(1) of the BTA to be the temporary trustee-manager of Dasin Retail Trust, and such appointment shall be effective from the date stated in the resolution of the Unitholders or court order as the effective date of the appointment of the trustee-manager or temporary trustee-manager, as the case may be.

Pursuant to Section 21(1) of the BTA, on an application by the MAS or the Trustee-Manager or a Unitholder, the court may, by order, appoint a company that has consented in writing to serve as a temporary trustee-manager to be the temporary trustee-manager of Dasin Retail Trust for a period of three months if the court is satisfied that the appointment is in the interest of the Unitholders.

The temporary trustee-manager of Dasin Retail Trust is required, within such time and in accordance with such requirements as may be prescribed by MAS, to take such steps to enable the Unitholders to appoint another person as the trustee-manager (not being a temporary trustee-manager) of Dasin Retail Trust.

ANNUAL REPORTS

An annual report will be issued by the Trustee-Manager to Unitholders within four months from the end of each accounting period of Dasin Retail Trust and at least 14 days before the annual general meeting of the Unitholders (which must be held within four months from the end of the financial year), containing, among others, the following key items:

(i) details of all material transactions in respect of Dasin Retail Trust entered into for the relevant accounting period;

(ii) details of Dasin Retail Trust’s real estate assets and development projects;

(iii) an operational and financial review of Dasin Retail Trust;

(iv) the amount of Distributable Income held pending distribution to Unitholders;
(v) the amount of fees paid to the Trustee-Manager (including any Units issued in part or full payment thereof, and the issue price of such Units);

(vi) details of amounts outstanding under any financing arrangements;

(vii) details of Dasin Retail Trust’s other material investments;

(viii) the highest and lowest prices at which the Units were traded on the SGX-ST during the relevant accounting period;

(ix) the volume of trade in the Units during the relevant accounting period;

(x) details of all hedging policies and instruments to be implemented by Dasin Retail Trust, if any;

(xi) details of all corporate social responsibility plans and initiatives;

(xii) details of Dasin Retail Trust’s investments in other property funds;

(xiii) the aggregate value of all transactions entered into by the Trustee-Manager (for and on behalf of Dasin Retail Trust) with an Interested Person during the financial year under review;

(xiv) updates regarding the status of the Distribution Waiver, including whether the assumptions originally projected in the Prospectus (such as duration of the rental cycles, or the market rental rates) have been achieved or an explanation otherwise, and information on the status of the Distribution Waiver (including Dasin Retail Trust’s distribution policy, the amounts of distribution waived and duration remaining until the date on which the Distribution Waiver would expire);

(xv) a comment by the Board on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems;

(xvi) the total number of tenants of each of Dasin Retail Trust’s real estate assets, separately;

(xvii) updates on the status of the Master Lease Agreements, including whether the assumptions originally projected in the Prospectus (such as the rental amount) have been achieved or provide an explanation otherwise; and

(xviii) information on the status of the Master Lease Agreements, including (i) the durations remaining on each of the Master Lease Agreements and the amount of rents receivable for such remaining durations, and (ii) if the security deposits provided under the Master Lease Agreements are by way of banker’s guarantee, performance bond and/or escrow arrangement, where relevant (based on publicly available information), the financial standing of the financial institution(s) providing the banker’s guarantee, performance bond and/or escrow arrangement on behalf of Dasin Merchant Investment for the security deposits.

The Board is also required under Section 86 of the BTA to make a written statement, in accordance with a Board resolution and signed by not less than two Directors on behalf of the Board, certifying that:

(i) fees or charges paid or payable out of the Trust Property to the Trustee-Manager are in accordance with the Trust Deed;
(ii) Interested Person Transactions are not detrimental to the interests of all the Unitholders as a whole based on the circumstances at the time of the transaction; and

(iii) the Board is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of Dasin Retail Trust or on the interests of all the Unitholders as a whole.

Such statement must be attached to the profit and loss accounts of Dasin Retail Trust.

Dasin Retail Trust will hold its first annual general meeting as a registered business trust prior to 13 July 2018, which falls within 18 months after the date of its registration as a registered business trust under the BTA. The first annual report of Dasin Retail Trust will cover the period from the Listing Date to 31 December 2017.

Dasin Retail Trust will also issue quarterly reports in accordance with the requirements of the Listing Manual and all relevant laws. These quarterly reports will contain, among other things, the financial statements of Dasin Retail Trust for the relevant quarter, the earnings per Unit (calculated in accordance with the requirements of the SGX-ST) and a review of the performance of Dasin Retail Trust that contains significant factors affecting turnover, costs, and earnings of Dasin Retail Trust for the financial period reported on, and any material factors that affected the cash flow, working capital, assets or liabilities of Dasin Retail Trust during the financial period reported on.

THE PROPERTY MANAGER OF THE PROPERTIES

Zhongshan Jixin Property Management Co., Ltd., an independent third party unrelated to the Zhang Family or the Sponsor, has been appointed as the property manager of the Properties pursuant to the Property Management Agreements. The Property Manager was incorporated in China in 1996. Its registered office is located at Bank of China Tower #16-18, Zhongshan Road, Zhongshan City, Guangdong Province, PRC.

The Property Manager is the property management arm of Zhongshan Jixin Real Estate Group and has the Grade 1 property management qualification (国家一级物业管理资质) required of property management companies in PRC. The Property Manager has experience in managing various properties, including government buildings, financial offices, shopping malls and residential estates. The Property Manager has been awarded the ISO 9001:2008 Quality Management System Certification, the ISO14001:2004 Environmental Management System Certification and OHSAS 18001:2007 for Occupational Health and Safety Management System Certification.

Under the respective Property Management Agreements, the Property Manager is responsible for providing property management services to the Properties. For the avoidance of doubt, as separate Property Management Agreements have been entered into in respect of each Property, the termination of the Property Management Agreement for one particular Property will not result in the termination of the respective Property Management Agreements for the other Properties. The Property Management Agreements do not provide for termination benefits.

The Property Manager will work with the Trustee-Manager to formulate strategic plans for Dasin Retail Trust in accordance with the Trustee-Manager’s stated investment strategy. The Property Manager will be responsible for implementing best practices with regard to portfolio management across the Initial Portfolio.
THE COMMERCIAL MANAGER OF THE PROPERTIES

Zhongshan Commercial Property Management Co., Ltd., which is wholly-owned by the Zhang Vendors, has been appointed to carry out marketing activities for the Properties. The Commercial Manager was incorporated in China on 14 September 2015. Its registered office is located at 1 Dasin South Road #04-417, Shiqi District, Zhongshan City, Guangdong Province, PRC.

Pursuant to the Commercial Management Agreement, the Commercial Manager is responsible for conducting marketing and promotional activities for the Properties. Such activities may include promotions and/or events occasionally organised at the Properties to attract customers to the shopping malls.

The Commercial Manager will work with the Trustee-Manager to formulate strategic marketing plans for Dasin Retail Trust in accordance with the Trustee-Manager’s stated investment strategy. For the avoidance of doubt, as separate Commercial Management Agreements have been entered into in respect of each Property, the termination of the Commercial Management Agreement for one particular Property will not result in the termination of the respective Commercial Management Agreements for the other Properties. The Commercial Management Agreements do not provide for termination benefits.

Ms. Pan Fan is the General Manager of the Commercial Manager and is responsible for supervising the staff of the Commercial Manager.

Ms. Pan has ample marketing and promotional experience. From March 2004 to September 2005, Ms. Pan was employed by Zhongshan Dasin Real Estate Co., Ltd, Xinduhui Commercial Branch in the investment department of the company, where she was mainly responsible for the marketing and leasing of space to tenants of Shiqi Metro Mall. Subsequently, from September 2005 to December 2006, Ms. Pan took on the role of Assistant Manager of the operations department of Zhongshan Dasin Real Estate Co., Ltd, Xinduhui Commercial Branch, where she took responsibility of the overall advertising of Shiqi Metro Mall. In January 2007 to November 2009, Ms. Pan was promoted to Deputy General Manager of Zhongshan Dasin Real Estate Co., Ltd, Xinduhui Commercial Branch, where she assisted the General Manager in the overseeing of marketing programmes at Shiqi Metro Mall, which included the reviewing of marketing guidelines and policies of Shiqi Metro Mall. From November 2009 to June 2013, Ms. Pan was promoted to General Manager of Zhongshan Dasin Real Estate Co., Ltd, Xinduhui Commercial Branch, where she was responsible for the overall management of Shiqi Metro Mall, which included marketing and promotional activities. Since July 2013 till the present, Ms. Pan has been employed as the Regional General Manager of Dasin Merchant Investment, where she takes overall responsibility for the business operations of Shiqi Metro Mall, Ocean Metro Mall, Dasin E-Colour, Xiaolan Metro Mall and so on. The responsibilities for the business operations include organising promotions and/or events at the various shopping malls to attract more consumers to the shopping malls.

Ms. Pan obtained a Bachelor Degree in Human Resource Management in December 2009 from South China Normal University, PRC.

Ms. Pan, who takes overall responsibility for the business operations of Ocean Metro Mall, Xiaolan Metro Mall, Dasin E-Colour and Shiqi Metro Mall, along with her management team, will be dedicated to the business of Dasin Retail Trust, and will be physically stationed in office premises away from the personnel responsible for the property management of the other properties of the Sponsor.
CORPORATE GOVERNANCE

The regime under the BTA stipulates requirements and obligations in respect of corporate governance. For example, the Business Trusts Regulations sets out the requirements for, among other things, board composition of a trustee-manager, audit and risk committee composition of a trustee-manager and independence of the directors of a trustee-manager. The following is a summary of the material provisions of the BTA insofar as they relate to the Board.

COMPOSITION OF THE BOARD

The Board of the Trustee-Manager must comprise:

(a) at least a majority of Directors who are independent from management and business relationships with the Trustee-Manager;

(b) at least one-third of Directors who are independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and

(c) at least a majority of Directors who are independent from any single substantial shareholder of the Trustee-Manager.

Independence of Directors

Independence from management and business relationships

To be considered to be independent from management and business relationships with the Trustee-Manager (whether or not the Trustee-Manager is acting for or on behalf of Dasin Retail Trust) a Director must not have any:

(a) management relationships with the Trustee-Manager or with any of its subsidiaries; or

(b) business relationships with the Trustee-Manager or with any of its related corporations, or with any officer of the Trustee-Manager or any of its related corporations, that could interfere with the exercise of his independent judgment with regard to the interests of all the Unitholders of Dasin Retail Trust as a whole.

Independence from management relationships

A Director is not considered to be independent from management relationships with the Trustee-Manager if:

(a) he is employed by the Trustee-Manager or by any of its subsidiaries, or has been so employed, at any time during the current financial year or any of the preceding three financial years of the Trustee-Manager;

(b) any member of his immediate family:

(i) is being employed by the Trustee-Manager or by any of its subsidiaries as an executive officer whose compensation is determined by the Board or the subsidiary, as the case may be; or

(ii) has been so employed at any time during the current financial year or any of the preceding three financial years of the Trustee-Manager; or
(c) he is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the management of the Trustee-Manager or any of its subsidiaries.

Independence from business relationships

A Director is not considered to be independent from business relationships with the Trustee-Manager or with any of its related corporations, or with any officer of the Trustee-Manager or any of its related corporations, if:

(a) he is a substantial shareholder, a director or an executive officer of any corporation, or a sole proprietor or partner of any firm, where such corporation, sole proprietorship or firm carries on business for purposes of profit to which the Trustee-Manager or any of its related corporations has made, or from which the Trustee-Manager or any of its related corporations has received, payments (whether or not the Trustee-Manager is acting for or on behalf of Dasin Retail Trust) at any time during the current or immediately preceding financial year of the Trustee-Manager; or

(b) he is receiving or has received compensation from the Trustee-Manager or any of its related corporations, other than remuneration received for his service as a director or as an employee of the Trustee-Manager or any of its related corporations, at any time during the current or immediately preceding financial year of the Trustee-Manager.

Independence from substantial shareholder

A Director is considered to be independent from a substantial shareholder of the Trustee-Manager if he is not a substantial shareholder of the Trustee-Manager or is not connected to that substantial shareholder of the Trustee-Manager.

The Director is connected to the substantial shareholder if:

(a) in the case where the substantial shareholder is an individual, the Director is:
   (i) a member of the immediate family of the substantial shareholder;
   (ii) a partner of a firm of which the substantial shareholder is also a partner; or
   (iii) accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder; or

(b) in the case where the substantial shareholder is a corporation, the Director is:
   (i) employed by the substantial shareholder;
   (ii) employed by a subsidiary or an associated company of the substantial shareholder;
   (iii) a director of the substantial shareholder;
   (iv) an executive director of a subsidiary or an associated company of the substantial shareholder;
   (v) a non-executive director of a subsidiary or an associated company of the substantial shareholder, where the subsidiary or associated company is not the Trustee-Manager;
   (vi) a partner of a firm of which the substantial shareholder is also a partner; or
   (vii) accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder.
GUIDELINES FROM THE CODE OF CORPORATE GOVERNANCE 2012 RELATING TO THE COMPOSITION OF THE BOARD

Under Guideline 2.1 of the Code of Corporate Governance 2012, at least one-third of the board of directors is required to comprise independent directors. However, according to Guideline 2.2, at least half of the board of directors should comprise independent directors where:

- the chairman of the board and the chief executive officer is the same person;
- the chairman of the board and the chief executive officer are immediate family members;
- the chairman of the board is part of the management team; or
- the chairman of the board is not an independent director.

CORPORATE GOVERNANCE OF THE TRUSTEE-MANAGER

The following outlines the main corporate governance practices of the Trustee-Manager.

Board of Directors

The Board is responsible for the overall corporate governance of the Trustee-Manager, including establishing goals for management and monitoring the achievement of these goals. The Trustee-Manager is also responsible for the strategic business direction and risk management of Dasin Retail Trust. All Board members participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and review of Directors. The Board has established a framework for the management of the Trustee-Manager and Dasin Retail Trust, including a system of internal controls and a business risk management process.

The Board consists of five members, three of whom are independent for the purposes of the BTA. In addition to compliance with requirements under the BTA, the composition of the Board is determined using the following principles:

(a) the Chairman of the Board should be a non-executive Director; and

(b) the Board should comprise Directors with a broad range of commercial experience, including expertise in funds management and the property industry.

The composition will be reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience.

Audit and Risk Committee

The audit and risk committee of the trustee-manager of a registered business trust is required to be composed of three or more members:

(a) all of whom are independent of management and business relationships with the Trustee-Manager; and

(b) at least a majority of whom, including the chairman of the audit and risk committee, are independent of management and business relationships with the trustee-manager and independent from every substantial shareholder of the trustee-manager.
The members of the audit and risk committee of Dasin Retail Trust (the “Audit and Risk Committee”) are Mr. Tan Huay Lim, Mr. Sun Shu and Dr. Cao Yong and. Mr. Tan Huay Lim has been appointed as the chairman of the Audit and Risk Committee.

The role of the Audit and Risk Committee is to monitor and evaluate the effectiveness of the Trustee-Manager’s internal controls. The Audit and Risk Committee also reviews the quality and reliability of information prepared for inclusion in financial reports, and is responsible for the nomination of external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance. The Audit and Risk Committee’s responsibilities also include, but are not limited to, the following:

(a) reviewing with the auditor of Dasin Retail Trust:

(i) the audit plan of Dasin Retail Trust;

(ii) the auditor’s evaluation of the system of internal accounting controls of the Trustee-Manager;

(iii) the auditor’s audit report for Dasin Retail Trust; and

(iv) the auditor’s management letter and management’s response;

(b) reviewing:

(i) the assistance given by the officers of the Trustee-Manager to the auditor of Dasin Retail Trust;

(ii) the scope and results of the internal audit procedures of the Trustee-Manager;

(iii) the policies and practices put in place by the Trustee-Manager in consultation with its external compliance advisers to ensure compliance with the Listing Manual, the BTA and the Trust Deed;

(iv) the procedures put in place by the Trustee-Manager to manage any conflict that may arise between the interests of the Unitholders and the interests of the Trustee-Manager, including Interested Person Transactions, the indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the Trust Property;

(v) Interested Person Transactions for potential conflicts of interest; and

(vi) risk management policies and guidelines and monitor compliance therewith;

(c) reviewing the balance sheet and profit and loss account of the Trustee-Manager and the balance sheet, profit and loss account and cash flow of Dasin Retail Trust submitted to it by the Trustee-Manager, and thereafter submit them to the Board;

(d) reviewing significant reporting issues and judgements to ensure the integrity of the financial statements and any formal announcements relating to financial performance;

(e) reporting to the Board:

(i) any inadequacies, deficiencies or matters of concern of which the Audit and Risk Committee becomes aware or that it suspects arising from its review of the items referred to in sub-paragraphs (a) to (d) above; and
(ii) any breach of the BTA or any breach of the provisions of the Trust Deed, of which the Audit and Risk Committee becomes aware or that it suspects;

(f) reporting to the MAS if the Audit and Risk Committee is of the view that the Board has not taken, or does not propose to take, appropriate action to deal with a matter reported under sub-paragraph (e):

(i) the procedures established to regulate Interested Person Transactions, including ensuring compliance with the provisions of the Listing Manual relating to “interested person transactions”; and

(ii) the procedures established to ensure compliance with applicable legislation and the Listing Manual;

(g) nominating or removing a person or persons as auditor of Dasin Retail Trust (including the review of their fees and scope of work), notwithstanding anything contained in the Trust Deed;

(h) approving and reviewing all policies and instruments to be implemented by Dasin Retail Trust to the Board;

(i) monitoring the implementation of outstanding internal control recommendations highlighted by the auditors in the course of their audit of the financial statements of Dasin Retail Trust, the Trustee-Manager and their respective subsidiaries taken as a whole;

(j) meeting with the external and internal auditors, without the presence of the executive officers, at least on an annual basis;

(k) reviewing the adequacy of the compliance functions and the appointment, reappointment of the external compliance advisers after two years from the Listing Date;

(l) conducting an annual assessment on whether the Trustee-Manager should exercise the Doumen Purchase Option to acquire the project company that holds the Doumen Metro Mall Development Project, for the duration of the Doumen Purchase Option;

(m) procuring that each of Aqua Wealth and Bounty Way enter into an undertaking to immediately inform Dasin Retail Trust of any changes to the arrangement in relation to the moratorium securities account for the Lock-up Distribution Units;

(n) overseeing (A) the updates made by the Trustee-Manager in Dasin Retail Trust’s annual report regarding the status of the Distribution Waiver, including whether the assumptions originally projected in the Prospectus have been achieved or the Trustee-Manager’s provision of an explanation otherwise; (B) the announcement made by the Trustee-Manager on the impending expiry of the Distribution Waiver at least a year prior to the expiry of the Distribution Waiver Undertakings; and (C) information provided by the Trustee-Manager on the status of the Distribution Waiver in Dasin Retail Trust’s full year financial results and annual reports (including Dasin Retail Trust’s distribution policy, the amounts of distribution waived and duration remaining until the date on which the Distribution Waiver Undertakings would expire);

(o) reviewing and providing its views on all hedging policies and instruments to be implemented by Dasin Retail Trust to the Board;

(p) ensuring that there is no overlap of roles, duties and responsibilities between each of the Trustee-Manager, the Rental Management Companies, the Property Manager and the Commercial Manager;
reviewing on a quarterly basis, where there are any updates or changes, the master list of the Trustee-Manager’s directors and controlling shareholders, as well as Dasin Retail Trust’s controlling Unitholders;

reviewing the Trustee-Manager’s internal audit reports twice a year to ascertain that the guidelines and procedures established to monitor Interested Person Transactions have been complied with, such review to include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Audit and Risk Committee, as well as ascertaining whether the subsidiaries and associated companies of Dasin Retail Trust have been complying with the requirement to inform the Trustee-Manager of any upcoming transactions with interested persons so as to obtain the prior approval from the chief executive officer of the Trustee-Manager, the Audit and Risk Committee or Unitholders, as applicable, in accordance with the provisions of Chapter 9 of the Listing Manual. If a member of the Audit and Risk Committee has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction;

investigating any matters within the Audit and Risk Committee’s terms of reference, whenever it deems necessary;

exercising oversight over the undertakings given by the Master Lessee to the Trustee-Manager that it will (i) immediately inform the Trustee-Manager of any matter that has a material adverse effect on its ability to fulfil its obligations under the Master Lease Agreements; and (ii) not unilaterally novate or assign any of the Master Lease Agreements to any other party and will inform the Trustee-Manager of any changes to any of the Master Lease Agreements;

exercising oversight over the undertakings of the Trustee-Manager under the Master Lease Undertakings (including the disclosures required in the annual financial statements and annual reports of Dasin Retail Trust pursuant to the Master Lease Undertakings); and

in relation to the security deposits received from the Master Lessee pursuant to the Master Lease Agreements, overseeing (i) the withdrawal or utilisation of the security deposits by Dasin Retail Trust during the terms of the Master Lease Agreements, including assessing Dasin Retail Trust’s ability to repay the security deposits at the end of the terms of the Master Lease Agreements; and (ii) where the security deposits fall below the equivalent of 12 months’ rent due to, among others, utilisation of the security deposits to satisfy late payment of rentals, that the Master Lessee makes up the shortfall.

Compliance Officer

The Trustee-Manager will employ a compliance officer within six months from the Listing Date who will report to the CEO of the Trustee-Manager and the Board of Directors. The duties of the compliance officer will include:

- updating employees of the Trustee-Manager on compliance requirements under the SFA, the BTA, the Listing Manual and all applicable laws, regulations and guidelines;
- highlighting any deficiencies or making recommendations with respect to the Trustee-Manager’s compliance processes; and
- assisting in any other matters concerning compliance with the SFA, the BTA, the Listing Manual and all applicable laws, regulations and guidelines.
Prior to the appointment of the compliance officer, the CEO and CFO of the Trustee-Manager will oversee the compliance matters in the interim. The Trustee-Manager has also engaged KPMG Services Pte. Ltd. to provide general compliance advice and ongoing compliance support on a retainer basis for a term of two years from the Listing Date to support the compliance officer. KPMG Services Pte. Ltd. will also conduct routine reviews on the compliance controls as well as the procedures put in place by the Trustee-Manager to ensure compliance with applicable laws, regulations and guidelines and report its findings and recommendations to the Audit and Risk Committee.

Legal Representatives

The legal representative of all the PRC Property Companies and Rental Management Companies is Mr. Zhang Zhencheng.

As stipulated in the General Principles of the Civil Law of PRC, the legal representative of the PRC Property Companies and Rental Management Companies is responsible for acting on behalf of the PRC Property Companies and Rental Management Companies in exercising their functions and powers in accordance with relevant PRC laws and regulations and the Articles of Association of the PRC Property Companies and Rental Management Companies. The legal representative also has authority to act on behalf of the PRC Property Companies and Rental Management Companies in civil matters, including, but not limited to, signing commercial contracts or other documents legally binding upon the PRC Property Companies and Rental Management Companies, and also has authority to represent the PRC Property Companies and Rental Management Companies in litigation proceedings or legal procedures.

The duties of the legal representative under the applicable PRC laws and regulations include, among others, the following:

- to abide by the Articles of Association of the PRC Property Companies and Rental Management Companies, and perform its duties faithfully and diligently;
- to attend shareholder meetings and board meetings of the PRC Property Companies and Rental Management Companies, and respond to enquiries raised by the shareholders; and
- to assume civil liability for losses incurred by the PRC Property Companies and Rental Management Companies that were a result of his wilful act, omission or serious fault.

The applicable PRC laws and regulations, as well as the respective articles of associations of the PRC Property Companies and Rental Management Companies, provide that the legal representative of each subsidiary must be appointed from its board of director (either its chairman or (if there is only one director on the board) its sole executive director). The respective shareholders of each PRC Property Company and each Rental Management Company may, pursuant to the articles of association of that subsidiary, from time to time replace or terminate the appointment of the legal representative via a resolution adopted by the shareholder.

The Trustee-Manager will take the following factors into consideration when appointing the legal representatives of the PRC Property Companies and Rental Management Companies:

- the qualifications and experience of the person; and
- the person’s knowledge of the property market.
In view of the potential risks to the PRC Property Companies and Rental Management Companies arising from a legal representative purporting to act on behalf of the relevant PRC Property Company or Rental Management Company when he does not have the requisite authorisation, each PRC Property Company and Rental Management Company has implemented following:

(a) in accordance with each PRC Property Company’s and Rental Management Company’s articles of association, the legal representative of that PRC Property Company and Rental Management Company must be appointed from its board of directors (either the chairman or (if there is only one director on the board) its sole executive director), and the shareholders of each PRC Property Company and Rental Management Company are entitled to replace or terminate the appointment of its legal representative via a resolution adopted by such shareholders;

(b) internal controls to ensure that the proper internal approvals are obtained before the legal representatives are allowed to sign cheques, payment vouchers or other similar instruments;

(c) measures to prevent the unauthorised use of the company’s seal and cheque book; and

(d) the segregation of the various duties relating to cash management, including receipt and payment procedures, so as to ensure that these duties are not concentrated in the same person.

The Board of Director of the Trustee-Manager is of the opinion that the processes and procedures to be put in place will be adequate to mitigate the risks in relation to the appointment of the legal representatives of each of the PRC Property Companies and Rental Management Companies.

Supervisors

According to JunZeJun Law Offices, as provided for in Article 51 of the Company Law of PRC, a company with limited liability shall have a committee of no less than three supervisors nominated by the shareholders and employees of the company. Where a company with limited liability has a relatively small number of shareholders and is relatively small in scale, it may have one or two supervisors instead of a committee of three or more supervisors. The board of directors and senior management of the company are prohibited from serving as supervisors of the company. The supervisors for each of Zhongshan Yuanxin, Xiaolan Xinduhui, Yicai Xinduhui, Xinrui Commercial and Xinteng Commercial is Ms. Zhang Jieyan.

Pursuant to Article 53 of the Company Law of PRC, a supervisor is entitled to:

(a) examine the financial affairs of the company;

(b) supervise the performance of official duties by the directors or the senior management and put forward proposals for the removal of any director or senior management who violate any laws or regulations, the articles of association of the company or the resolution of shareholders’ meeting;

(c) request the directors or the senior management to rectify their acts if they are harmful to the interests of the company;

(d) propose the convening of an interim shareholders’ meeting; and to convene and preside over the shareholders’ meeting if the board of directors fails to perform the duties of convening or presiding over the shareholders’ meeting;

(e) put forth proposals in the shareholders’ meeting;
(f) initiate legal proceedings against any director or any senior management in accordance with Article 151 of the Company Law of PRC; and

(g) exercise other functions and powers as specified in the articles of association of the company.

It is also provided in Article 54 of the Company Law of PRC that supervisors may attend the meetings of the board of directors as non-voting attendees and may raise queries or put forth proposals on matters on which resolutions have been or are to be adopted by the board of directors.

According to Article 54 of the Company Law of PRC, supervisors also have the right to engage an accounting firm, at the expense of the company, to assist in the investigation into irregular or improper operations of the company.

**Dealings in Units**

Pursuant to Section 137N of the SFA, each Director and the chief executive officer of the Trustee-Manager is required to give notice in writing to the Trustee-Manager of, among others, particulars of his interest in Units or of changes in the number of Units which he has an interest, within two Business Days in Singapore after the date on which the Director or chief executive officer of the Trustee-Manager became a director or chief executive officer of the Trustee-Manager or the date on which he acquires an interest in the Units or he becomes aware of the occurrence of the event giving rise to changes in the number of Units which he has an interest.

All dealings in Units by Directors and the chief executive officer of the Trustee-Manager will be announced via SGXNET, with the announcement to be posted on the internet at the SGX-ST website http://www.sgx.com.

The Directors and employees of the Trustee-Manager are encouraged, as a matter of internal policy, to hold Units but are prohibited from dealing in the Units:

(a) in the period commencing one month before the public announcement of Dasin Retail Trust’s annual results and (where applicable) property valuations and two weeks before the public announcement of Dasin Retail Trust’s quarterly results, and expiring on the date of announcement of the relevant results or, as the case may be, property valuations; and

(b) at any time while in possession of price sensitive information.

Pursuant to Section 137R of the SFA, the Trustee-Manager is required to announce to the SGX-ST the particulars of its holdings in the Units and any changes thereto as soon as practicable and in any case no later than the end of the Business Day following the day on which it acquires or, as the case may be, disposes of any Units.

**Management of Business Risk**

The Board will meet quarterly or more often if necessary and will review the financial performance of the Trustee-Manager and Dasin Retail Trust against a previously approved budget. The Board will also review the business risks of Dasin Retail Trust, examine liability management and will act upon any comments from the auditors of Dasin Retail Trust.
The Trustee-Manager has appointed experienced and well-qualified management personnel to handle the day-to-day operations of the Trustee-Manager and Dasin Retail Trust. In assessing business risk, the Board will consider the economic environment and risks relevant to the property industry. It reviews management reports and feasibility studies on individual development projects prior to approving major transactions. The management meets regularly to review the operations of the Trustee-Manager and Dasin Retail Trust and discuss any disclosure issues.

In relation to foreign exchange hedging transactions and interest rate hedging transactions (if any), (a) the Trustee-Manager will seek the approval of the Board on the policy for entering into any such transactions, (b) the Trustee-Manager will put in place adequate procedures which must be reviewed and approved by the Audit and Risk Committee and (c) the Audit and Risk Committee will monitor the implementation of such policy, including reviewing the instruments, processes and practices in accordance with the policy approved by the Board.
INTERESTED PERSON TRANSACTIONS AND POTENTIAL CONFLICTS OF INTEREST

INTERESTED PERSON TRANSACTIONS

In general, a transaction between:

• an entity at risk (in this case, the Trustee-Manager (acting in its capacity as the trustee-manager of Dasin Retail Trust)) or any of the subsidiaries or subsidiary entities of Dasin Retail Trust or (if certain conditions set out in the definition of “entity at risk” in the SF BT Regulations are satisfied) any of the associated companies or associated entities of Dasin Retail Trust), and

• any of the Interested Persons of Dasin Retail Trust (in this case (i) the Trustee-Manager (acting in its personal capacity), (ii) a related corporation or related entity of the Trustee-Manager (other than a subsidiary or subsidiary entity of Dasin Retail Trust), (iii) an associated company or associated entity of the Trustee-Manager (other than an associated company or associated entity of Dasin Retail Trust), (iv) a Director, chief executive officer or controlling shareholder of the Trustee-Manager, (v) a controlling unitholder or (vi) an associate of any such Director, chief executive officer, controlling shareholder or controlling unitholder of the Trustee-Manager),

would constitute an Interested Person Transaction.

Certain terms such as “associate”, “associated company”, “control”, “controlling shareholder”, and “Interested Person” used in this section have the meanings as provided in the Listing Manual and the SF BT Regulations, unless the context specifically requires the application of the definitions in one or the other, as the case may be.

See “Glossary” for the meanings of “associate”, “associated entity”, “controlling shareholder”, “controlling unitholder”, “related corporation”, “related entity” and “subsidiary”.

The Zhang Family Trust will be a Controlling Unitholder as it holds more than 15.0% of the Units (see “Ownership of the Units – Principal Unitholders of Dasin Retail Trust and their Unitholdings” of this Prospectus for further details) on the Listing Date. For the avoidance of doubt, Bounty Way is not a Controlling Unitholder of Dasin Retail Trust, as it will hold less than 15.0% of the Units on the Listing Date. (See “Ownership of the Units – Principal Unitholders of Dasin Retail Trust and their Unitholdings” of this Prospectus for further details.)

For the purposes of Interested Person Transactions, the material transactions between the Trustee-Manager (as trustee-manager of Dasin Retail Trust) or any of the subsidiaries/subsidiary entities of Dasin Retail Trust which have occurred or are occurring, with (i) the Chairman and Non-Executive Director of the Trustee-Manager, Mr. Zhang Zhencheng; (ii) the Non-Executive Director of the Trustee-Manager, Mr. Zhang Zhongming; (iii) any of the associates of Mr. Zhang Zhencheng and/or Mr. Zhang Zhongming, including the Sponsor; and (iv) the Zhang Family Trust and its associates, and details of each transaction during the three most recent completed financial years and up to the Latest Practicable Date, and which the Trustee-Manager considers material in the context of the Offering are described below.

In line with the rules set out in Chapter 9 of the Listing Manual, a transaction with a value of less than S$100,000 is not considered material in the context of the Offering and is not taken into account for the purposes of aggregation in this section.
Present and Ongoing Interested Person Transactions

Interested Person Transactions in Connection with the Setting up of Dasin Retail Trust and the Offering

The Trustee-Manager, as the trustee-manager of Dasin Retail Trust and its subsidiaries, has entered into a number of transactions with certain Interested Persons in connection with the establishment of Dasin Retail Trust. These Interested Person Transactions are as follows:

(i) Commercial Management Agreements

The Commercial Manager has on 31 December 2015 entered into respective Commercial Management Agreements with each of the Rental Management Companies and Zhongshan Yuanxin Commercial Property Management Co., Ltd. for the provision of marketing services to the Properties. The Commercial Management Agreements are more particularly described in “Certain Agreements Relating to Dasin Retail Trust and the Properties – Commercial Management Agreements” of this Prospectus.

The fees and reimbursable expenses paid to the Commercial Manager pursuant to the Commercial Management Agreements during the Relevant Period were as follows:

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<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB'000)</th>
<th>HY2016 (RMB’000)</th>
<th>From 1 July 2016 to the Latest Practicable Date (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of fees paid by Xiaolan Xinduhui to the Commercial Manager</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1,549</td>
<td>584</td>
</tr>
<tr>
<td>Amount of fees paid and reimbursable expenses by Yicai Xinduhui to the Commercial Manager</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>98</td>
<td>235</td>
</tr>
<tr>
<td>Amount of fees and reimbursable expenses paid by Zhongshan Yuanxin to the Commercial Manager</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>692</td>
<td>619</td>
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</table>

The Directors believe that the Commercial Management Agreements, having been negotiated independently with reference to prevailing market rates, have been entered into on an arm’s length basis and on normal commercial terms. As such, the Commercial Management Agreements are not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.
Dasin Licence Agreement

The Sponsor and the Trustee-Manager have on 27 December 2016 entered into the Dasin Licence Agreement, pursuant to which in consideration for the payment of a nominal sum of S$1.00, the Sponsor has granted a non-exclusive, non-transferable licence to the Trustee-Manager, in its capacity as the trustee-manager of Dasin Retail Trust, to use the “Dasin” name and any additional trade mark(s) which may be agreed to by the parties in writing from time to time for use in connection with the business of Dasin Retail Trust. The Dasin Licence Agreement is more particularly described in “Certain Agreements Relating to Dasin Retail Trust and the Properties – Dasin Licence Agreement” of this Prospectus.

The Directors have noted the terms of the Dasin Licence Agreement and believe that while the Dasin Licence Agreement, including the amounts payable under it, was not entered into on an arm’s length basis and on normal commercial terms, it is not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

Save for the Sale and Purchase Agreements, the Shiqi Framework Agreement, the Doumen Purchase Option and the Sponsor ROFR, which are more particularly described in “Certain Agreements Relating to Dasin Retail Trust and the Properties” of this Prospectus, as well as the Trust Deed, which is more particularly described in “The Formation and Structure of Dasin Retail Trust – The Trust Deed” of this Prospectus, and save as disclosed elsewhere in this Prospectus, the Trustee-Manager has not entered into any other transactions with (i) the Sponsor or (ii) any Interested Person of the Trustee-Manager in connection with the setting up of Dasin Retail Trust.

Other Ongoing Interested Person Transactions

(i) Lease of retail units in Ocean Metro Mall to Interested Persons

Certain retail units in Ocean Metro Mall have been leased by Zhongshan Yuanxin to Interested Persons of the Dasin Retail Trust Group. Details of these Interested Persons and the terms of their respective lease agreements are as follows:

(a) Yuan Yang Dasin Food is wholly owned by Dasin Food Services, which has 80.0% of its interests held by Dasin Merchant Investment, which is wholly-owned by the Zhang Vendors through Dasin Management and Investment, and the remaining 20.0% of its interests held by an independent third party unrelated to the Zhang Family or the Sponsor.

The NLA and GFA (as stipulated in the lease agreement) of the retail unit on the fourth floor of Ocean Metro Mall that is leased to Yuan Yang Dasin Food to operate a restaurant (Xin Xuan Hotel Restaurant) are 5,088.0 sq m and 6,360.0 sq m respectively. The tenure of the lease is 10 years, from 1 December 2014 to 30 November 2024, at a monthly rental rate (inclusive of management fees) of RMB 35.0 per sq m of GFA, with a rental escalation rate of 8.0% every two years;

(b) Jian Mei Furniture has 30.0% of its interests held by Mr. Zhang Zhongming and the remaining 70.0% of its interests held by an independent third party unrelated to the Zhang Family or the Sponsor.

The NLA and GFA (as stipulated in the lease agreement) of one of the retail units on the third floor of Ocean Metro Mall that is leased to Jian Mei Furniture to operate a furniture shop (Jane Eyre Furniture Mall) are 7,074.0 sq m and 8,843.0 sq m respectively. The tenure of the lease is 10 years, from 1 October 2014 to 30 September 2024, at a monthly rental rate (inclusive of management fees) of RMB 30.0 per sq m of GFA, with a rental escalation rate of 6.0% every two years. The aggregate NLA of another three units on the third floor of Ocean Metro Mall that are
leased to Jian Mei Furniture to operate a furniture shop (Jane Eyre Furniture Mall) is 242.0 sq m, with the tenure being three years, from 1 October 2014 to 3 September 2017, and the monthly rental rate being RMB 80.0 per sq m of NLA for the first two years and RMB 90.0 per sq m of NLA for the third year; and

(c) Dongqu Shen Ma Crafts Business (中山市东区神马工艺品商行) ("Shen Ma Crafts") is a company that is wholly owned by Mr. Zhang Zhongming.

The NLA and GFA (as stipulated in the lease agreement) of the retail unit on the first floor of Ocean Metro Mall that is leased to Shen Ma Crafts to operate a shop selling artwork are 53.0 sq m and 96.4 sq m respectively. The tenure of the lease is three years, from 28 November 2014 to 27 November 2017, at a monthly rental rate (inclusive of management fees) of RMB 150.0 per sq m of GFA commencing from 28 December 2014, with an annual rental escalation rate of 6.7% from the first year to the second year, and an annual rental escalation rate of 6.3% for the second year to the third year. Under the lease agreement, Shen Ma Crafts enjoys a rent-free period from 28 November 2014 to 28 December 2014. During such rent-free period, Shen Ma Craft paid to Zhongshan Yuanxin a management fee of RMB 5.0 per sq m of GFA per month.

The aggregate NLA of the retail units in Ocean Metro Mall that have been leased to the abovementioned Interested Persons (being Yuan Yang Dasin Food, Jian Mei Furniture and Shen Ma Crafts) is 12,378.0 sq m, which represents in aggregate approximately 18.5% of the total NLA of Ocean Metro Mall as at 30 June 2016.

The aggregate rent paid to Zhongshan Yuanxin by each of Yuan Yang Dasin Food, Jian Mei Furniture and Shen Ma Crafts for the lease of the retail units in Ocean Metro Mall (including related expenses such as utilities, marketing expenses and security deposits) in the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015, the six-months period ended 30 June 2016 and the period from 1 July 2016 up to the Latest Practicable Date (the "Relevant Period") were approximately as follows:

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<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB’000)</th>
<th>HY2016 (RMB’000)</th>
<th>From 1 July 2016 to the Latest Practicable Date (RMB’000)</th>
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<td>Aggregate rental</td>
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<tr>
<td>Yuan Yang Dasin Food</td>
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<td>4,603</td>
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<tr>
<td>Jian Mei Furniture</td>
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<td>150</td>
<td>1,656</td>
<td>773</td>
<td>776</td>
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<td>Aggregate rental</td>
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<tr>
<td>Shen Ma Crafts</td>
<td>–</td>
<td>–</td>
<td>158</td>
<td>118</td>
<td>76</td>
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</tbody>
</table>

306
Taking into account (i) the rents payable under the respective lease agreements between Zhongshan Yuanxin and each of Yuan Yang Dasin Food and Jian Mei Furniture are in line with the prevailing market rental rates of similar properties based on the independent valuation obtained from the Independent Valuers; (ii) the size of the space that is being leased; (iii) the long lease tenures of 10 years; (iv) suitability for purpose and location; (v) the preferential rates and discounts that may be offered to long-term tenants who commit to a certain quantum of capital expenditure on the leased area; and (vi) the rents payable by similar tenants in other malls within the vicinity, the Directors are of the opinion that the lease agreements between Zhongshan Yuanxin and each of Yuan Yang Dasin Food and Jian Mei Furniture were carried out on an arm’s length basis and on normal commercial terms, and are not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

Taking into account that the rent payable under the lease agreement between Zhongshan Yuanxin and Shen Ma Crafts is in line with the prevailing market rental rates of similar properties based on the independent valuations obtained from the Independent Valuers, the Directors are of the opinion that the lease agreement between Zhongshan Yuanxin and Shen Ma Crafts was carried out on an arm’s length basis and on normal commercial terms, as the aggregate rental (including related expenses such as utilities, marketing expenses and security deposits) paid by the Interested Person was pegged to prevailing market rates, and is not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

Any future variation or amendment to or renewal of the above leases will be subject to the review procedures as set out in “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transaction – The Trustee-Manager’s Internal Control System” of this Prospectus and the requirements of Chapter 9 of the Listing Manual.

(ii) Lease of retail units in Xiaolan Metro Mall to Interested Persons

Certain retail units in Xiaolan Metro Mall have been leased by Xiaolan Xinduhui to Interested Persons of the Dasin Retail Trust Group. Details of these Interested Persons and the terms of their respective lease agreements are as follows:

(a) The Xiaolan Master Lessee, Dasin Merchant Investment, is wholly owned by the Zhang Vendors through Dasin Management and Investment.

On 26 December 2016, Xiaolan Xinduhui entered into the Xiaolan Master Lease Agreement (as amended and supplemented) with the Xiaolan Master Lessee in respect of certain units on the first floor and third floor of Xiaolan Metro Mall, with an aggregate GFA (as stipulated in the Xiaolan Master Lease Agreement) of 14,940.5 sq m., in the event that Superior City Department Store does not continue with its lease by sub-lease from the Xiaolan Master Lessee, the Xiaolan Master Lessee intends to house fashion and apparel shops in such leased space, with the first floor comprising mainly shops selling accessories and cosmetics and with the third floor comprising mainly shops selling apparel and shoes. The tenure of the Xiaolan Master Lease Agreement is 10 years, from 26 September 2017 to 25 September 2027. The rent payable by Dasin Merchant Investment comprises the following: (a) an initial monthly rental of approximately RMB 0.7 million for the first three months during the fitting out period, commencing 26 September 2017 up till the end of 2017; (b) a monthly rent of approximately RMB 1.8 million for the period from 1 January 2018 to 31 December 2018; and (c) an annual rental escalation rate of 5.0% over the rent
payable from 1 January 2019 onwards. The Xiaolan Master Lease Agreement is more particularly described in “Certain Agreements Relating to Dasin Retail Trust and the Properties – Xiaolan Master Lease Agreement” of this Prospectus.

(b) Zhongshan Jianmei Jane Eyre Home Furnishing Co., Ltd. Xiaolan Branch (“Jianmei Xiaolan Branch”) has 30.0% of its interests held by Mr. Zhang Zhongming and the remaining 70.0% of its interests held by an independent third party unrelated to the Zhang Family or the Sponsor. The lease agreement between Xiaolan Xinduhui and Jianmei Xiaolan Branch is not dependent on the unitholding of the Zhang Family Trust in Dasin Retail Trust.

The aggregate NLA and GFA (as stipulated in the lease agreement) of the retail units on the fourth floor of Xiaolan Metro Mall that are leased to Jianmei Xiaolan Branch to operate a furniture mall (Jane Eyre Furniture Mall) are 7,442.5 sq m and 10,631.0 sq m respectively. The tenure of the leases for all of such retail units is 12 years, from 1 May 2012 to 30 April 2024. Certain of the retail units (representing an NLA of 2,940.5 sq m and a GFA (as stipulated in the lease agreement) of 4,200.0 sq m) commenced operations on 1 May 2012 (the “Phase One Retail Units”), while the remaining retail units (representing an NLA of 4,502.0 sq m and a GFA (as stipulated in the lease agreement) of 6,431.0 sq m) enjoyed a rent-free period from 1 May 2012 to the date of commencement of operations on 1 October 2014 (the “Phase Two Retail Units”). During such rent-free period, Jianmei Xiaolan Branch paid to Xiaolan Xinduhui a management fee of RMB 3.0 per sq m of GFA per month. The monthly rental rate (inclusive of management fees) of the Phase One Retail Units from 1 May 2012 to 31 September 2014 was RMB 40.0 per sq m of GFA. Subsequently, when the Phase Two Retail Units commenced operations on 1 October 2014, the monthly rental rate (inclusive of management fees) of both the Phase One Retail Units and Phase Two Retail Units from 1 October 2014 to 31 September 2015 was RMB 42.5 per sq m of GFA, with a rental escalation of RMB 2.5 per sq m of GFA for the next year, a rental escalation of RMB 3.0 per sq m of GFA per year for the next two years, a rental escalation of RMB 4.0 per sq m of GFA per year for the next three years, a rental escalation of RMB 5.0 per sq m of GFA per year for the next two years and a rental escalation of RMB 6.0 per sq m of GFA for the last year.

The lease agreement between Xiaolan Xinduhui and Jianmei Xiaolan Branch provides that Xiaolan Xinduhui may also terminate the lease agreement if Jianmei Xiaolan Branch:

(i) transfers, sub-leases, licences the leased property to a third party;

(ii) without the written consent of Xiaolan Xinduhui, initiate any construction or additions and alterations to the structure of the leased property, change the stated use of the property or utilise the property to conduct any illegal activity;

(iii) owes rent in excess of one month to Xiaolan Xinduhui;

(iv) does not repair any damage to the leased property within the prescribed time stipulated in the notice from Xiaolan Xinduhui to Jianmei Xiaolan Branch, resulting in loss to Xiaolan Xinduhui;

(v) does not obtain the necessary licences required for its operations after commencing operations for more than 30 days;
(vi) ceases operations with the consent of Xiaolan Xinduhui for more than three days, but does not resume operations within two days of the prescribed time period in the notice to resume operations from Xiaolan Xinduhui to Jianmei Xiaolan Branch; or

(vii) breaches any of the terms and conditions of the lease agreement and does not remedy such breach within the prescribed cure period.

The lease agreement between Xiaolan Xinduhui and Jianmei Xiaolan Branch also provides that if before the expiry of the term of the lease agreement, Xiaolan Xinduhui wishes to unilaterally terminate the lease agreement for reasons other than those listed as grounds for termination under the lease agreement, Jianmei Xiaolan Branch shall not be entitled to claim compensation against Xiaolan Xinduhui for any loss, except that Xiaolan Xinduhui shall refund twice the rental security deposit to Jianmei Xiaolan Branch.

The Trustee-Manager and the Sponsor are of the view that Jianmei Xiaolan Branch will be able to fulfil its obligations under the lease agreement with Xiaolan Xinduhui as Jianmei Xiaolan Branch has several years of experience operating in the furniture retail industry and since it opened its first Pearl River Delta area outlet in Shiqi Metro Mall in 2007, it has expanded its operations to operating nine furniture retail outlets in the Pearl River Delta area as at 30 June 2016; and

(c) Dasin Food Services\(^{(1)}\) has 80.0% of its interests held by Dasin Merchant Investment, which is wholly-owned by the Zhang Vendors through Dasin Management and Investment, and the remaining 20.0% of its interests held by an independent third party unrelated to the Zhang Family or the Sponsor. The lease agreement between Xiaolan Xinduhui and Dasin Food Services is not dependent on the unitholding of the Zhang Family Trust in Dasin Retail Trust.

The NLA of the retail unit on the fifth floor of Xiaolan Metro Mall leased to Dasin Food Services is approximately 6,727.7 sq m, representing 8.7% of the NLA of Xiaolan Metro Mall as at 30 June 2016. Dasin Food Services has leased the space for operating a restaurant. The tenure of the lease is 10 years, from 1 May 2016 to 30 April 2026, at a monthly rent of RMB 336,950 for the first year, with an annual rental escalation rate of 5.0%.

The lease agreement between Xiaolan Xinduhui and Dasin Food Services provides that if for reasons other than by force majeure, either Xiaolan Xinduhui or Dasin Food Services is unable to adhere to the obligations of the lease agreement, the party in default shall be liable to pay the non-defaulting party one month in rent. If the default is on the part of the lessee or in the event the rental arrears owed by Dasin Food Services to Xiaolan Xinduhui surpasses the amount of security deposit paid by Dasin Food Services to Xiaolan Xinduhui (which shall not exceed three months' of rental) without the consent of Xiaolan Xinduhui, Xiaolan Xinduhui may terminate the lease agreement.

The Trustee-Manager and the Sponsor are of the view that Dasin Food Services will be able to fulfil its obligations under the lease agreement with Xiaolan Xinduhui as Dasin Food Services has, since 2014, had a tenant relationship with the Sponsor, from operating its first F&B outlet in Guzhen Metro Mall in 2014 to leasing space in malls owned by the Sponsor for the operations of its 12 F&B outlets as at 30 June 2016.
Note:
(1) Dasin Food Services had on 18 May 2016 novated its lease agreement with Xiaolan Xinduhui to Xiaolan Dasin Food. The novation took effect on 20 May 2016. (See “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions – Present and Ongoing Interested Person Transactions – Novation of the Interested Person Lease between Xiaolan Xinduhui and Dasin Food Services to Dasin Xiaolan Food” of this Prospectus for further details.)

The aggregate rent paid to Xiaolan Xinduhui by each of the Xiaolan Master Lessee, Jianmei Xiaolan Branch and Dasin Food Services for the lease of the retail units in Xiaolan Metro Mall (including related rental expenses such as utilities, marketing expenses and security deposits) during the Relevant Period were approximately as follows:

<table>
<thead>
<tr>
<th></th>
<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB’000)</th>
<th>HY2016 (RMB’000)</th>
<th>From 1 July 2016 to the Latest Practicable Date (RMB’000)</th>
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<tbody>
<tr>
<td>Aggregate rental</td>
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<td>security deposits)</td>
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<td>paid by the Xiaolan</td>
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<td>Master Lessee</td>
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<td>6,827</td>
<td>3,699</td>
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<td>security deposits)</td>
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<td>Services</td>
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Taking into account (i) that the rent payable under the Xiaolan Master Lease Agreement is in line with the prevailing market rental rates of similar properties based on the independent valuations obtained from the Independent Valuers; (ii) the long master lease tenure of 10 years; (iii) the size of the space that is being leased; (iv) the preferential rates and discounts that may be offered to attract long-term master lessees in return for income stability; and (v) the quantum of capital expenditure committed on the leased area by the Xiaolan Master Lessee, the Directors are of the opinion that the Xiaolan Master Lease Agreement entered into between Xiaolan Xinduhui and the Xiaolan Master Lessee was on an arm’s length basis and on normal commercial terms, and is not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.
Taking into account (i) that the rents payable under the respective lease agreements between Xiaolan Xinduhui and each of Jianmei Xiaolan Branch and Dasin Food Services are in line with the prevailing market rental rates of similar properties based on the independent valuation obtained from the Independent Valuers; (ii) the size of the space that is being leased; (iii) the long lease tenures of 10 to 12 years; (iv) suitability for purpose and location; and (v) preferential rates and discounts that may be offered to long-term tenants who commit to a certain quantum of capital expenditure on the leased area, the Directors are of the opinion that the lease agreements between Xiaolan Xinduhui and each of Jianmei Xiaolan Branch and Dasin Food Services were carried out on an arm’s length basis and on normal commercial terms, and are not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

Any future variation or amendment to or renewal of the above leases will be subject to the review procedures as set out in “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transaction – The Trustee-Manager’s Internal Control System” of this Prospectus and the requirements of Chapter 9 of the Listing Manual.

(iii) Lease of retail units in Dasin E-Colour to Interested Persons

Certain retail spaces in Dasin E-Colour have been leased by Yicai Xinduhui to Interested Persons of the Dasin Retail Trust Group. Details of these Interested Persons and the terms of their respective lease agreements are as follows:

(a) Xin He Property Investment is wholly owned by Xin He Commercial, which has 63.0%, 2.0%, 17.0% and 18.0% of its interests held by (i) Dasin Management and Investment, which is wholly-owned by the Zhang Vendors, (ii) Xin He Commercial Chain, (iii) Mr. Zhang Kaicheng (an associate of Mr. Zhang Zhencheng, the Chairman and Non-Executive Director of the Trustee-Manager) and (iv) an independent third party unrelated to the Zhang Family or the Sponsor respectively. Xin He Commercial Chain has 37.5% and 50.0% of its interests held by Mr. Zhang Kaicheng and the Sponsor respectively, with the remaining 12.5% held by an independent third party unrelated to the Zhang Family or the Sponsor.

The aggregate NLA of the retail units on the third floor of Dasin E-Colour that are leased to Xin He Property Investment is 945.0 sq m. This space is currently being sub-let by Xin He Property Investment to operators of lifestyle stores and cafes. The tenure of the lease is three years and seven months, from 21 April 2015 to 20 November 2018, at a monthly rent of RMB 42,525, with no rental escalation (the “First Lease Agreement”). Xin He Property Investment enjoyed a rent-free period from 21 April 2015 to 20 November 2015 under the First Lease Agreement. Prior to the expiry of the First Lease Agreement, Xin He Property Investment entered into another lease agreement with Yicai Xinduhui in respect of the same retail space in Dasin E-Colour (the “Second Lease Agreement”) to provide for an adjustment of the rental rate to a level commensurate with market rental rates. The tenure of the Second Lease Agreement is three years, from 2 March 2016 to 1 March 2019. The monthly rent for the first year is RMB 190,860, for the second year is RMB 219,489 and for the third year is RMB 252,412. Under the Second Lease Agreement, Xin He Property Investment enjoys a rent-free period from 2 March 2016 to 30 April 2016. On 10 March 2016, Yicai Xinduhui and Xin He Property Investment entered into an agreement whereby both parties agreed that the First Lease Agreement will terminate on 30 April 2016 and both parties will perform its respective obligations under the First Lease Agreement up to 30 April 2016, with each party’s obligations under the Second Lease Agreement commencing from 1 May 2016, thereby
overriding the provision for a rent-free period under the Second Lease Agreement. Consequently, pursuant to the Second Lease Agreement, Xin He Property Investment continued to pay a monthly rent of RMB 42,525 for the period from 2 March 2016 to 30 April 2016, and following 1 May 2016, Xin He Property Investment’s monthly rental will be adjusted up to RMB 190,860. On 27 September 2016, Yicai Xinduhui and Xin He Property Investment entered into a supplementary agreement to extend the term of the Second Lease Agreement from three years to five years, with the rental for the fourth and the fifth years being RMB 290,275 and RMB 333,815 respectively.

Xin He Property Investment currently operates a supermarket on the second floor of a residential condominium with a retail podium that houses individual retail shop units. The residential condominium, which is located next to Dasin E-Colour, was developed by the Sponsor and is connected to Dasin E-Colour via a link bridge. In order to incentivise Xin He Property Investment to continue operating the supermarket in the vicinity of Dasin E-Colour so as to increase the footfall in Dasin E-Colour, Yicai Xinduhui agreed to enter into the First Lease Agreement with Xin He Property Investment to allow Xin He Property Investment to sub-lease the leased space in Dasin E-Colour to sub-tenants so that it can profit from the rental spread. The Second Lease Agreement was entered into to increase the rent. The Sponsor believes that Xin He Property Investment would be willing to enter into such an arrangement as it will be able to sub-lease the leased space at a higher rent per sq m, notwithstanding that the revised rent that is currently payable by Xin He Property Investment is above the prevailing market rental rates of similar properties according to the independent valuations obtained by the Independent Valuers;

(b) Yi Cai Dasin Food is wholly owned by Dasin Food Services, which has 80.0% of its interests held by Dasin Merchant Investment, which is wholly-owned by the Zhang Vendors through Dasin Management and Investment, and the remaining 20.0% of its interests held by an independent third party unrelated to the Zhang Family or the Sponsor.

The aggregate NLA and GFA (as stipulated in the lease agreement) of the retail units on the fourth floor of Dasin E-Colour that are leased to Yi Cai Dasin Food to operate a restaurant (Xin Xuan Teahouse) are 880.0 sq m and 1,254.0 sq m respectively. The tenure of the lease is 10 years and two months, from 1 January 2016 to 28 February 2026, at a monthly rental rate (inclusive of management fees) of RMB 32.0 per sq m of GFA commencing from 1 March 2016, with a rental escalation rate of 6.0% every two years. Under the lease agreement, Yi Cai Dasin Food enjoyed a rent-free period from 1 January 2016 to 1 March 2016. During such rent-free period, Yi Cai Dasin Food paid Yicai Xinduhui a monthly management fee of RMB 5.0 per sq of GFA. Yi Cai Dasin Food commenced operations on 31 January 2016; and

(c) Dasin Merchant Investment is wholly owned by the Zhang Vendors through Dasin Management and Investment.

Dasin Merchant Investment had entered into the Dasin E-Colour Master Lease Agreements on 1 March 2016 (as amended and supplemented) to lease, (i) under the first lease agreement, certain retail units on the fourth floor of Dasin E-Colour, (ii) under the second lease agreement, the entire seventh floor of Dasin E-Colour and (iii) under the third lease agreement, certain retail units on the eighth and ninth floors of Dasin E-Colour. The aggregate NLA of the retail units leased under the Dasin E-Colour Master Lease Agreements is 4,593.0 sq m.
The aggregate NLA of the retail units on the fourth floor of Dasin E-Colour that are leased to Dasin Merchant Investment under the Dasin E-Colour Master Lease Agreements is 767.0 sq m. The space on the fourth floor leased under the Dasin E-Colour Master Lease Agreements comprises three retail units operating as restaurants. Two of these retail units are sub-leased to third party independent operators and the other restaurant is a joint venture between Dasin Merchant Investment and a third party. The tenure of the lease is three years, from 2 March 2016 to 1 March 2019, with a rent-free period from 2 March 2016 to 30 April 2016. The monthly rent is RMB 47,938 for the first year, RMB 55,128 for the second year and RMB 63,278 for the third year.

The aggregate NLA of the retail units on the eighth and ninth floors of Dasin E-Colour that are leased to Dasin Merchant Investment under the Dasin E-Colour Master Lease Agreements is 1,356.0 sq m. Dasin Merchant Investment partnered the University of Electronic Science and Technology of China (Zhongshan Institute) to open a business incubator for students of the university on the eighth and ninth floors. The tenure of the lease is three years, from 2 March 2016 to 1 March 2019, with a rent-free period from 2 March 2016 to 30 April 2016. The monthly rent is RMB 67,800 for the first year, RMB 77,970 for the second year and RMB 89,496 for the third year.

The aggregate NLA of the retail units on the seventh floor of Dasin E-Colour that are leased to Dasin Merchant Investment under the Dasin E-Colour Master Lease Agreements is 2,470.0 sq m. Dasin Merchant Investment intends to operate a karaoke and other entertainment facilities in such leased space. The tenure of the lease is three years, from 2 March 2016 to 1 March 2019, with a rent-free period from 2 March 2016 to 30 April 2016. The monthly rent is RMB 134,086 for the first year, RMB 150,176 for the second year and RMB 168,313 for the third year.

The aggregate NLA of the retail units in Dasin E-Colour that has been leased to Interested Persons (being Xin He Property Investment, Yi Cai Dasin Food and Dasin Merchant Investment) is 6,418.0 sq m, representing 50.8% of the total NLA of Dasin E-Colour as at 30 June 2016.

The aggregate rent paid to Yicai Xinduhui by each of Xin He Property Investment, Yi Cai Dasin Food and Dasin Merchant Investment for the lease of the retail spaces in Dasin E-Colour (including related expenses such as utilities, marketing expenses and security deposits) during the Relevant Period were approximately as follows:

<table>
<thead>
<tr>
<th>From 1 July 2016 to the Latest Practicable Date (RMB’000)</th>
<th>Aggregate rental (including related expenses such as utilities, marketing expenses and security deposits) paid by Xin He Property Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2013 (RMB’000)</td>
<td>FY2014 (RMB’000)</td>
</tr>
</tbody>
</table>

313
<table>
<thead>
<tr>
<th></th>
<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB’000)</th>
<th>HY2016 (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate rental (including related expenses such as utilities, marketing expenses and security deposits) paid by Yi Cai Dasin Food</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>131</td>
</tr>
<tr>
<td>Aggregate rental (including related expenses such as utilities, marketing expenses and security deposits) paid by Dasin Merchant Investment</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>476</td>
</tr>
</tbody>
</table>

Taking into account (i) that the rents payable under the Dasin E-Colour Master Lease Agreements are in line with the prevailing market rental rates of similar properties based on the independent valuations obtained from the Independent Valuers; (ii) the size of the space that is being leased; (iii) the preferential rates and discounts that may be offered to attract master lessees in return for income stability; and (iv) the quantum of capital expenditure committed on the leased area by Dasin Merchant Investment, the Directors are of the opinion that the Dasin E-Colour Master Lease Agreements entered into between Yicai Xinduhui and Dasin Merchant Investment were carried out on an arm’s length basis and on normal commercial terms, and are not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

Taking into account (i) that the rents payable under the lease agreement between Yicai Xinduhui and Yi Cai Dasin Food are in line with the prevailing market rental rates of similar properties based on the independent valuations obtained from the Independent Valuers; (ii) the long lease tenure of 10 years; (iii) suitability for purpose and location; and (iv) preferential rates and discounts that may be offered to long-term tenants who commit to a certain quantum of capital expenditure on the leased area, the Directors are of the opinion that the lease agreement between Yicai Xinduhui and Yi Cai Dasin Food was carried out on an arm’s length basis and on normal commercial terms, and is not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

The rent payable under the Second Lease Agreement had been commercially agreed between the parties, and taking into account the Independent Valuers’ opinion that the rent payable and rental escalation rate under the Second Lease Agreement is above the prevailing market rental rates of similar properties, the Directors are of the opinion that the Second Lease Agreement was not carried out on an arm’s length basis and was not on normal commercial terms, but is not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

Any future variation or amendment to or renewal of the above leases will be subject to the review procedures as set out in “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transaction – The Trustee-Manager’s Internal Control System” of this Prospectus and the requirements of Chapter 9 of the Listing Manual.
(iv) Payments relating to tenant loan taken by a tenant for the lease of a retail unit in Xiaolan Metro Mall

A tenant in Xiaolan Metro Mall had obtained from a financial institution a tenant loan whereby the financial institution will disburse in advance the rental payments due from such tenant to Dasin Management and Investment, the then property holding company of Xiaolan Metro Mall, which will then pay the monthly rental to Xiaolan Xinduhui as the Rental Management Company of Xiaolan Metro Mall. In return, such tenant will make loan repayments directly to the financial institution for the tenant loan.

The total amounts paid by Dasin Management and Investment to Xiaolan Xinduhui as a result of such a tenant loan arrangement during the Relevant Period were approximately as follows:

<table>
<thead>
<tr>
<th></th>
<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB’000)</th>
<th>HY2016 (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amounts paid to</td>
<td>1,699</td>
<td>2,912</td>
<td>2,427</td>
<td>–</td>
</tr>
<tr>
<td>Xiaolan Xinduhui</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The amounts paid to Xiaolan Xinduhui by Dasin Management and Investment as a result of such a tenant loan arrangement is commensurate with the rentals due from the tenant to Xiaolan Xinduhui, which is pegged to prevailing market rentals charged by Xiaolan Xinduhui to other third party tenants of Xiaolan Metro Mall. As such, the payments from Dasin Management and Investment to Xiaolan Xinduhui pursuant to the above tenant loan arrangement was entered into on an arm’s length basis and on normal commercial terms, and is not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

After completion of the Listing, we may continue with the above arrangement. Any such arrangement will be subject to the review procedures as set out in “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transaction – The Trustee-Manager’s Internal Control System” of this Prospectus and the requirements of Chapter 9 of the Listing Manual.

(v) Payment of utilities expenses by Xiaolan Xinduhui on behalf of Zhongshan Dasin Management and Investment Co., Ltd., Xiaolan Hotel Branch (中山大信管理投资有限公司小榄酒店分公司) (“Xiaolan Hotel Management and Investment”)

The utility expenses of Dasin Crowne Plaza, which include the utilities expenses of Xiaolan Hotel Management and Investment\(^{(1)}\), a company wholly owned by the Zhang Vendors, for Dasin Crowne Plaza are billed as a single utilities bill to Xiaolan Xinduhui every month. Xiaolan Hotel Management and Investment pays a portion of the monthly utilities expenses based on a pre-determined amount in advance to Xiaolan Xinduhui every month, then reimburses Xiaolan Xinduhui for the shortfall between the actual utilities bill attributable to Xiaolan Hotel Management and Investment and the prepaid amount.

Note:

\(^{(1)}\) Xiaolan Hotel Management and Investment was previously known as Zhongshan Dasin Crowne Plaza and Holiday Inn Hotel Co., Ltd. (中山市大信置业有限公司皇冠假日酒店分公司).
The amount of utilities expenses paid by Xiaolan Xinduhui on behalf of Xiaolan Hotel Management and Investment during the Relevant Period were approximately as follows:

<table>
<thead>
<tr>
<th></th>
<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB’000)</th>
<th>FY2016 (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment of utilities expenses by Xiaolan Xinduhui</td>
<td>252</td>
<td>408</td>
<td>339</td>
<td>157</td>
</tr>
</tbody>
</table>

The Directors believe that while the above arrangement was not entered into on an arm’s length basis as the utilities expenses reimbursed by Xiaolan Hotel Management and Investment to Xiaolan Xinduhui were on a cost reimbursement basis, it is not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

After completion of the Listing, we may continue with the above arrangement. Any such arrangement will be subject to the review procedures as set out in “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transaction – The Trustee-Manager’s Internal Control System” of this Prospectus and the requirements of Chapter 9 of the Listing Manual.

(vi) Corporate guarantees provided by Interested Persons to ICBC

During the Relevant Period, Xinrui Commercial, the Sponsor, Dasin Merchant Investment, and Dasin Management and Investment each provided a corporate guarantee to ICBC to secure all loans provided by ICBC to Xiaolan Xinduhui for the period commencing from 20 May 2014 to 31 December 2025, for an amount of up to RMB 750.0 million. The largest aggregate amount of loans extended by ICBC to Xiaolan Xinduhui that was outstanding during the Relevant Period was RMB 430.0 million. (See “Capitalisation and Indebtedness” of this Prospectus for further details of facilities that have been extended by ICBC to Xiaolan Xinduhui during the Relevant Period.)

The Directors believe that while the above arrangement was not entered into on an arm’s length basis as no consideration was provided for the provision of the corporate guarantees, it is not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

After completion of the Listing, we do not intend to obtain corporate guarantees from such Interested Persons. In the event that any corporate guarantees are sought from such Interested Persons, will be subject to the requirements of Chapter 9 of the Listing Manual.

After the admission of Dasin Retail Trust to the Official List of the SGX-ST, the Trustee-Manager intends to procure the discharge of the corporate guarantees provided by the Sponsor, Dasin Merchant Investment and Dasin Management and Investment. The Directors do not expect that the terms and conditions of the existing facilities of Dasin Retail Trust would be materially affected by the discharge of the above guarantees. Nevertheless, in the event that the relevant banks or financial institutions do not agree to the release of the corporate guarantees provided by the Sponsor, Dasin Merchant Investment and Dasin Management and Investment, each of the Sponsor, Dasin Merchant Investment and Dasin Management and Investment has undertaken to continue to provide the guarantees for no consideration until such time when the Trustee-Manager is able to secure alternative facilities from other banks or financial institutions. In any event, the
Trustee-Manager intends for Xiaolan Xinduhui to discharge the outstanding loan from ICBC, on, or shortly after, the Listing Date. (See “Capitalisation and Indebtedness – Dasin Retail Trust’s Existing Debt” for further details.)

(vii) Use of temporary spaces in Dasin E-Colour and Ocean Metro Mall by Interested Persons

During the Relevant Period, certain open spaces within Ocean Metro Mall and Dasin E-Colour were temporarily leased by Interested Persons for exhibition and advertising purposes. Details of these Interested Persons as well as the respective fee arrangements are as follows:

(a) Guzhen Yunding Xinghe Amusement Park Co., Ltd. (中山市古镇云顶星河游乐园有限公司) ("Guzhen Yunding") leased a temporary space in Dasin E-Colour (with an aggregate space of 180.0 sq m) from Yicai Xinduhui for advertising purposes, at a monthly rent of RMB 8,100, from 1 March 2016 to 31 December 2016. Guzhen Yunding is a company that is wholly owned by Guzhen Yunding Xinghe Amusement Investment Co., Ltd. (中山市云顶星河游乐园投资有限公司), which has 49.0% of its interests held by Dasin Merchant Investment and the remaining 51.0% of its interests held by a third party unrelated to the Zhang Family or the Sponsor. Dasin Merchant Investment is wholly owned by the Zhang Vendors through Dasin Management and Investment;

(b) Dasin Pass, which is wholly owned by the Zhang Vendors, leased temporary spaces in Dasin E-Colour (with aggregate spaces of 108.0 sq m and 60.0 sq m respectively) from Yicai Xinduhui for advertising and exhibition purposes respectively, at monthly rents of RMB 6,480 and RMB 6,000 respectively, from 1 March 2016 to 31 December 2016;

(c) The Sponsor leased temporary spaces in Dasin E-Colour (with aggregate spaces of 50.0 sq m and 40.0 sq m respectively) from Yicai Xinduhui for advertising and exhibition purposes respectively, at monthly rents of RMB 15,760 and RMB 18,000 respectively, from 1 March 2016 to 31 December 2016;

(d) Yi Cai Dasin Food leased a temporary space in Dasin E-Colour (with an aggregate space of 50.0 sq m) from Yicai Xinduhui for advertising purposes, at a monthly rent of RMB 5,880, from 1 March 2016 to 31 December 2016. Yi Cai Dasin Food is wholly owned by Dasin Food Services, which has 80.0% of its interests held by Dasin Merchant Investment, which is wholly-owned by the Zhang Vendors through Dasin Management and Investment, and the remaining 20.0% of its interests held by an independent third party unrelated to the Zhang Family or the Sponsor;

(e) Dasin Merchant Investment, which is wholly-owned by the Zhang Vendors through Dasin Management and Investment, leased a temporary space in Dasin E-Colour (with an aggregate space of 60.0 sq m) from Yicai Xinduhui for exhibition purposes, at a monthly rent of RMB 12,000, from 1 March 2016 to 31 December 2016;

(f) Dasin Pass, which is indirectly wholly owned by the Zhang Vendors through the Sponsor, leased temporary spaces in Ocean Metro Mall (with aggregate spaces of approximately 143.6 sq m and 128.0 sq m respectively) from Zhongshan Yuanxin for advertising and exhibition purposes respectively, at monthly rents of RMB 17,241 and RMB 95,000 (inclusive of related expenses such as utilities and applicable taxes) respectively, from 1 March 2016 to 31 October 2016 and 1 March 2016 to 31 December 2016 respectively;
Zhongshan Jianmei Jane Eyre Home Furnishing Co., Ltd. (中山市简美家居有限公司) ("Jianmei Furnishing") leased temporary spaces in Ocean Metro Mall (with aggregate spaces of 150.2 sq m and 128.0 sq m respectively) from Zhongshan Yuanxin for advertising and exhibition purposes respectively, at monthly rents of RMB 16,695 and RMB 7,500 respectively, from 1 March 2016 to 31 December 2016. Jianmei Furnishing has 30.0% of its interests held by Zhang Zhongming and 70.0% of its interests held by an unrelated third party;

The Sponsor leased temporary spaces in Ocean Metro Mall (with aggregate spaces of 238.9 sq m and 40.0 sq m respectively) from Zhongshan Yuanxin for advertising and exhibition purposes respectively, at monthly rents of RMB 19,995 and RMB 11,000 respectively, from 1 March 2016 to 31 December 2016;

Yuan Yang Dasin Food leased a temporary space in Ocean Metro Mall (with an aggregate space of 156.2 sq m) from Zhongshan Yuanxin for advertising purposes, at a monthly rent of RMB 10,860, from 1 March 2016 to 31 December 2016. Yuan Yang Dasin Food is wholly owned by Dasin Food Services, which has 80.0% of its interests held by Dasin Merchant Investment, which is wholly-owned by the Zhang Vendors through Dasin Management and Investment, and the remaining 20.0% of its interests held by an independent third party unrelated to the Zhang Family or the Sponsor; and

Dasin Merchant Investment, which is wholly-owned by the Zhang Vendors through Dasin Management and Investment, leased a temporary space in Ocean Metro Mall (with an aggregate space of 108.0 sq m) from Zhongshan Yuanxin for exhibition purposes, at a monthly rent of RMB 6,000, from 1 March 2016 to 31 December 2016;

The aggregate amounts of fees paid by Guzhen Yunding, Dasin Pass, the Sponsor, Yi Cai Dasin Food, Dasin Merchant Investment, Jianmei Furnishing and Yuan Yang Dasin Food to Yicai Xinduhui and/or Zhongshan Yuanxin during the Relevant Period were approximately as follows:

<p>| From 1 July 2016 to the Latest Practicable Date (RMB'000) |
|---|---|---|---|---|
| Aggregate fees paid by Guzhen Yunding to Yicai Xinduhui during the Relevant Period | FY2013 (RMB'000) | FY2014 (RMB'000) | FY2015 (RMB'000) | HY2016 (RMB'000) | 40 | 71 |
| Aggregate fees paid by Dasin Pass to Yicai Xinduhui during the Relevant Period | | | | | | 147 |
| Aggregate fees paid by the Sponsor to Yicai Xinduhui during the Relevant Period | | | | | 165 | 160 |
| Aggregate fees paid by Yi Cai Dasin Food to Yicai Xinduhui during the Relevant Period | | | | | 150 | 319 |</p>
<table>
<thead>
<tr>
<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB’000)</th>
<th>HY2016 (RMB’000)</th>
<th>From 1 July 2016 to the Latest Practicable Date (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate fees paid by Dasin Merchant Investment to Yicai Xinduhui during the Relevant Period</td>
<td>-</td>
<td>-</td>
<td>317</td>
<td>117</td>
</tr>
<tr>
<td>Aggregate fees paid by Dasin Pass to Zhongshan Yuanxin during the Relevant Period</td>
<td>-</td>
<td>-</td>
<td>86</td>
<td>117</td>
</tr>
<tr>
<td>Aggregate fees paid by Jianmei Furnishing to Zhongshan Yuanxin during the Relevant Period</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Aggregate fees paid by the Sponsor to Zhongshan Yuanxin during the Relevant Period</td>
<td>-</td>
<td>-</td>
<td>71</td>
<td>196</td>
</tr>
<tr>
<td>Aggregate fees paid by Yuan Yang Dasin Food to Zhongshan Yuanxin during the Relevant Period</td>
<td>-</td>
<td>-</td>
<td>54</td>
<td>42</td>
</tr>
<tr>
<td>Aggregate fees paid by Dasin Merchant Investment to Zhongshan Yuanxin during the Relevant Period</td>
<td>-</td>
<td>-</td>
<td>18</td>
<td>36</td>
</tr>
</tbody>
</table>

The Directors are of the opinion that the abovementioned temporary lease arrangements were carried out on an arm’s length basis and on normal commercial terms, and were not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

(viii) **Assignment of Rights and Obligations as Lessor under the Tenancy Agreement with Guangdong Starbucks Coffee Co., Ltd. (“Guangdong Starbucks”) from the Sponsor to Xiaolan Xinduhui**

The Sponsor holds the property rights to Crowne Plaza Zhongshan Xiaolan. Part of the hotel comprised a stand-alone bar, which was initially operated by the hotel. As the bar operated by the hotel was not profitable, the Sponsor entered into a tenancy agreement dated 6 June 2013 with Starbucks Guangdong for the lease of the space vacated by the bar originally operated by the hotel (the "Original Tenancy Agreement"). Following the Original Tenancy Agreement, the Sponsor then transferred the property rights in Crowne Plaza Zhongshan Xiaolan to Dasin Management and Investment. In connection therewith, the Sponsor, Dasin Management and Investment, Xiaolan Xinduhui and Starbucks Guangdong entered into a supplementary agreement on 6 December 2013, pursuant to which the Original Tenancy Agreement was novated to Dasin Management and Investment, in place of the Sponsor, as the new owner of Crowne Plaza Zhongshan.
Xiaolan and Xiaolan Xinduhui was introduced as a co-lessor to facilitate rental collection from Starbucks Guangdong (the "Supplementary Tenancy Agreement") from 11 July 2013. Pursuant to the Supplementary Tenancy Agreement, Xiaolan Xinduhui was assigned the right to collect rent as well as manage and maintain the space leased and therefore from 11 July 2013 onwards, it collected rent from Starbucks Guangdong for its own account. The Dasin Retail Trust Group does not intend to continue with this arrangement and is currently in the process of terminating this arrangement, following which, Xiaolan Xinduhui will no longer be entitled to collect rent from Starbucks Guangdong. Dasin Management and Investment has agreed to waive all rights to the rent collected by Xiaolan Xinduhui prior to the termination and that Dasin Management and Investment shall bear any liability incurred by Xiaolan Xinduhui in relation to any claim by Starbucks Guangdong against Xiaolan Xinduhui in relation to rent, management fee or any other obligation under the Original Tenancy Agreement or the Supplementary Tenancy Agreement.

The aggregate amounts of rent paid by Starbucks Guangdong during the Relevant Period were approximately as follows:

<table>
<thead>
<tr>
<th>From 1 July 2016 to the Latest Practicable Date (RMB’000)</th>
<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB’000)</th>
<th>HY2016 (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate rent paid by Starbucks Guangdong</td>
<td>69</td>
<td>501</td>
<td>532</td>
<td>248</td>
</tr>
</tbody>
</table>

As Xiaolan Xinduhui did not receive any consideration (monetary or otherwise) for the assignment, the above transaction was not entered into on an arm's length basis and was not on normal commercial terms, but is not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

**Exempted Agreements**

The entry into and fees and charges payable by Dasin Retail Trust under the Trust Deed, the Sale and Purchase Agreements, Shiqi Framework Agreement, the Sponsor ROFR, the Doumen Purchase Option, the Commercial Management Agreements and the Dasin Licence Agreement, each of which constitutes or will, when entered into, constitute an Interested Person Transaction, are deemed to have been specifically approved by the Unitholders upon subscription for the Units and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that specific information on these agreements have 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.

(See “Overview – Certain Fees and Charges” of this Prospectus for further details on the fees and charges payable by Dasin Retail Trust in connection with the establishment and on-going management and operation of Dasin Retail Trust.)

Any changes to the rates and/or bases of the fees charged or other terms of the agreements mentioned above (save for the Shiqi Framework Agreement) will be subject to Rules 905 and 906 of the Listing Manual. Save for the reduction of the purchase consideration of approximately RMB 1,224.0 million to the average or lower than the
average of the two independent valuations, any other change to the purchase consideration or other terms of the Shiqi Framework Agreement, including the Shiqi Holdco Sale and Purchase Agreement, will be subject to Unitholders’ approval. Upon renewal of the Property Management Agreements and Commercial Management Agreements, the Audit and Risk Committee will review and ensure that each renewal is in accordance with the terms of the respective agreements. Any changes in the terms of renewal will be subject to Rules 905 and 906 of the Listing Manual.

(See “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions – The Trustee-Manager’s Internal Control System” of this Prospectus for further details.)

Past Interested Person Transactions

Details of the past transactions between any of the Trustee-Manager (as the trustee-manager of Dasin Retail Trust) or any of the subsidiaries/subsidiary entities of Dasin Retail Trust or any of the associated companies/entities of Dasin Retail Trust and Interested Persons during the Relevant Period which are material in the context of the Offering are as follows:

(ix) Payments made pursuant to the Rental Management Arrangements in respect of Dasin E-Colour and Xiaolan Metro Mall

*Payments made by Yicai Xinduhui pursuant to the Rental Management Arrangement of Dasin E-Colour*

As part of the Rental Management Arrangement in respect of Dasin E-Colour, Yicai Xinduhui, the Rental Management Company of Dasin E-Colour, entered into lease agreements with the retail tenants of Dasin E-Colour, pursuant to which the rent payable by these retail tenants of Dasin E-Colour is collected by Yicai Xinduhui. Yicai Xinduhui then entered into a master lease agreement with the then property holding company of Dasin E-Colour, Dasin Management and Investment, which is wholly owned by the Zhang Vendors, pursuant to which a proportion of the rent collected was paid to Dasin Management and Investment at the rate of RMB 18.0 per sq m based on the GFA of Dasin E-Colour, with the remainder retained by Yicai Xinduhui.

(See “Overview – Structure of Dasin Retail Trust as at the Listing Date” of this Prospectus for further details on the Rental Management Arrangement.)

The aggregate rental and related expenses paid to Dasin Management and Investment from Yicai Xinduhui pursuant to such Rental Management Arrangement in respect of Dasin E-Colour during the Relevant Period were approximately as follows:

<table>
<thead>
<tr>
<th></th>
<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB’000)</th>
<th>HY2016 (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate rental and</td>
<td>–</td>
<td>–</td>
<td>2,172</td>
<td>–</td>
</tr>
<tr>
<td>related expenses paid to</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dasin Management and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(See “Overview – Structure of Dasin Retail Trust as at the Listing Date” of this Prospectus for further details on the Rental Management Arrangement.)
While the above Rental Management Arrangement was not entered into on an arm’s length basis and is not on normal commercial terms, as no fees and consideration were paid to Yicai Xinduhui for the entering into such Rental Management Arrangement, the Directors note the historical arrangement and believe that it is not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

The master lease agreement between Yicai Xinduhui and Dasin Management and Investment has been terminated, and a new master lease agreement has been entered into between Yicai Xinduhui and Xinteng Commercial in respect of Dasin E-Colour. The new master lease agreement entered into between Yicai Xinduhui and Xinteng Commercial is based on substantially similar terms to the previous master lease agreement between Yicai Xinduhui and Dasin Management and Investment, save that the previous master lease agreement was for the tenure of 1 May 2015 to 30 April 2035 (20 years), while the new master lease agreement is for the tenure of 1 October 2015 to 31 December 2025 (approximately 10 years).

**Payments made by Xiaolan Xinduhui pursuant to the Rental Management Arrangement of Xiaolan Metro Mall**

As part of the Rental Management Arrangement in respect of Xiaolan Metro Mall, Xiaolan Xinduhui, the Rental Management Company of Xiaolan Metro Mall, entered into lease agreements with the retail tenants of Xiaolan Metro Mall, pursuant to which the rent payable by these retail tenants of Xiaolan Metro Mall is collected by Xiaolan Xinduhui. Xiaolan Xinduhui then entered into a master lease agreement with the then property holding company of Xiaolan Metro Mall, Dasin Management and Investment, which is wholly owned by the Zhang Vendors, pursuant to which a proportion of the rent collected was paid to Dasin Management and Investment at the rate of RMB 22.0 per sq m based on the GFA of Xiaolan Metro Mall, with the remainder retained by Xiaolan Xinduhui. (See “Overview – Structure of Dasin Retail Trust as at the Listing Date” of this Prospectus for further details on the Rental Management Arrangement.)

The aggregate rental and related expenses paid to Dasin Management and Investment from Xiaolan Xinduhui pursuant to such Rental Management Arrangement in respect of Xiaolan Metro Mall during the Relevant Period were as follows:

<table>
<thead>
<tr>
<th></th>
<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB’000)</th>
<th>HY2016 (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate rental and</td>
<td>–</td>
<td>38,711</td>
<td>21,948</td>
<td>–</td>
</tr>
<tr>
<td>related expenses paid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>to Dasin Management and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Prior to July 2013, Xiaolan Metro Mall was held by the Sponsor. Through its branch, Zhongshan Dasin Property Co., Ltd. Xiaolan Branch (中山市大信置业有限公司小榄分公司) (“Dasin Property Xiaolan Branch”), the Sponsor had entered into lease agreements directly with the tenants of Xiaolan Metro Mall. In July 2013, Xiaolan Metro Mall was transferred by the Sponsor to Dasin Management and Investment, and in connection therewith, Dasin Management and Investment then entered into a master lease agreement with Xiaolan Xinduhui (which was formed in May 2013 through a demerger from Dasin Management and Investment as part of an internal re-organisation exercise undertaken by...
the Sponsor). From thereon, Xiaolan Xinduhui also assumed all the obligations of Dasin Property Xiaolan Branch in respect of the lease agreements that were entered into between Dasin Property Xiaolan Branch and the tenants of Xiaolan Metro Mall.

As such, the aggregate rental and related expenses payable to Dasin Management and Investment by Xiaolan Xinduhui for FY2013 consists only of the aggregate rental and related expenses collected by Xiaolan Xinduhui from July 2013 to 31 December 2013. In contrast, the aggregate rental and related expenses paid to Dasin Management and Investment by Xiaolan Xinduhui in FY2014 and FY2015 consists of the aggregate rental and related expenses collected by Xiaolan Xinduhui for the full financial years, from 1 January 2014 to 31 December 2014 and from 1 January 2015 to 31 December 2015 respectively. As the aggregate rental and related expenses payable to Dasin Management and Investment by Xiaolan Xinduhui for FY2013 was paid in FY2014, the aggregate rental and related expenses paid to Dasin Management and Investment by Xiaolan Xinduhui decreased from RMB 38.7 million in FY2014 to RMB 21.9 million in FY2015.

While the above Rental Management Arrangement was not entered into on an arm’s length basis and is not on normal commercial terms, as no fees and consideration were paid to Xiaolan Xinduhui for the entering into such Rental Management Arrangement, the Directors note the historical arrangement and believe that it is not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

The master lease agreement between Xiaolan Xinduhui and Dasin Management and Investment has been terminated, and a new master lease agreement has been entered into between Xiaolan Xinduhui and Xinrui Commercial in respect of Xiaolan Metro Mall. The new master lease agreement entered into between Xiaolan Xinduhui and Xinrui Commercial is based on substantially similar terms to the previous master lease agreement between Xiaolan Xinduhui and Dasin Management and Investment, save that the previous master lease agreement was for the tenure of 1 May 2015 to 30 April 2035 (20 years), while the new master lease agreement is for the tenure of the dates of issuance of the real-estate certification of Xiaolan Metro Mall (namely, between 29 September 2015 and 5 November 2015) to 31 December 2025 (approximately 10 years).

(x) Payments made by Dasin Property Xiaolan Branch under the Rental Management Arrangement following the demerger from Dasin Management and Investment

In May 2013, the Sponsor undertook an internal re-organisation exercise pursuant to which Dasin Management and Investment was demerged to form a new company, namely, Xiaolan Xinduhui. Before the demerger, in relation to the Rental Management Arrangement of Xiaolan Metro Mall, Dasin Property Xiaolan Branch was the entity which entered into the lease agreements with the retail tenants of Xiaolan Metro Mall and which signed the master lease agreement with the then property holding company of Xiaolan Metro Mall, the Sponsor. (See “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions – Past Interested Person Transactions – (i) Payments made pursuant to the Rental Management Arrangements in respect of Dasin E-Colour and Xiaolan Metro Mall – Payments made by Xiaolan Xinduhui pursuant to the Rental Management Arrangement of Xiaolan Metro Mall” of this Prospectus for further information on the demerger.)

After the demerger, Xiaolan Xinduhui assumed all the obligations of Dasin Property Xiaolan Branch under the Rental Management Arrangement in respect of Xiaolan Metro Mall from July 2013 onwards. As such, Xiaolan Dasin Property Xiaolan Branch paid all rental and related amounts collected pursuant to the Rental Management Arrangement to Xiaolan Xinduhui.
The total amounts paid by Dasin Property Xiaolan Branch to Xiaolan Xinduhui following the demerger during the Relevant Period were approximately as follows:

<table>
<thead>
<tr>
<th>From 1 July 2016 to the Latest Practicable Date (RMB’000)</th>
<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB’000)</th>
<th>HY2016 (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amounts paid to Xiaolan Xinduhui</td>
<td>7,361</td>
<td>–</td>
<td>11,907</td>
<td>–</td>
</tr>
</tbody>
</table>

No fees and consideration were paid to Xiaolan Xinduhui for entering into the above arrangement. As such, the above arrangement was not entered into on an arm’s length basis and is not on normal commercial terms. However, insofar as the above arrangement was entered into in relation to the Rental Management Arrangement in respect of Xiaolan Metro Mall, the Directors note the historical arrangement and believe that the above arrangement is not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

(xii) Reimbursement of Promotional Expenses by Zhongshan Yuanxin

During the Relevant Period, Dasin Merchant Investment, which is wholly-owned by the Zhang Vendors through Dasin Management and Investment, had paid for promotional expenses, which were incurred in connection with the marketing and advertising of Ocean Metro Mall, on behalf of Zhongshan Yuanxin. As such, Zhongshan Yuanxin had reimbursed Dasin Merchant Investment for such promotional expenses during the Relevant Period.

The reimbursements by Zhongshan Yuanxin to Dasin Merchant Investment during the Relevant Period were approximately as follows:

<table>
<thead>
<tr>
<th>From 1 July 2016 to the Latest Practicable Date (RMB’000)</th>
<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB’000)</th>
<th>HY2016 (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursement of Promotional Expenses by Zhongshan Yuanxin</td>
<td>50</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

The Directors believe that while the above reimbursement arrangement was not entered into an arm’s length basis as the promotional expenses reimbursed by Zhongshan Yuanxin to Dasin Merchant Investment were on a cost-reimbursement basis, it is not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders. The Dasin Retail Trust Group does not intend to continue with such transaction after completion of the Listing.

(xii) Reimbursement of utilities expenses by Yicai Xinduhui

During the Relevant Period, the utilities bills of Yicai Xinduhui were addressed to Dasin Management and Investment as an interim measure. Accordingly, Dasin Management and Investment had paid for the utilities expenses of Yicai Xinduhui on its behalf and was
subsequently reimbursed by Yicai Xinduhui for such utilities expenses during the Relevant Period. The reimbursements by Yicai Xinduhui to Dasin Management and Investment in the Relevant Period were approximately as follows:

<table>
<thead>
<tr>
<th>From 1 July 2016 to the Latest Practicable Date (RMB'000)</th>
<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB’000)</th>
<th>HY2016 (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursement of utilities expenses by Yicai Xinduhui</td>
<td>–</td>
<td>–</td>
<td>145</td>
<td>439</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Yicai Xinduhui reimburses Dasin Management and Investment once a year for the utilities expenses incurred for the entire calendar year. As such, from 1 January 2016 to the Latest Practicable Date, there were no reimbursements by Yicai Xinduhui to Dasin Management and Investment as the reimbursements will only be made at the end of the year.

The Directors believe that while the above reimbursement arrangement was not entered into on an arm’s length basis as the utilities expenses reimbursed by Yicai Xinduhui to Dasin Management and Investment were on a cost reimbursement basis, it is not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

The addressees of Yicai Xinduhui’s water bill and electricity bill have, since 30 May 2016 and 1 June 2016 respectively, been changed from Dasin Management to Xinteng Commercial. Accordingly, the Dasin Retail Trust Group does not intend to continue with such a transaction after completion of the Listing.

(xiii) **Reimbursement of Costs of Renovation Materials by Zhongshan Yuanxin**

During the Relevant Period, Li Jian Furnishings Co., Ltd. (中山市力建装饰有限公司) ("Li Jian Furnishings"), which has 90.0% of its interests held by Mr. Zhang Kaichen (an associate of Mr. Zhang Zhencheng, the Chairman and Non-Executive Director of the Trustee-Manager) and the remaining 10.0% of its interests held by Mr. Zhang Zhongming, had paid for renovation materials, which were incurred in connection with the renovation of Ocean Metro Mall, on behalf of Zhongshan Yuanxin. As such, Zhongshan Yuanxin had reimbursed Li Jian Furnishings for the costs of such renovation materials during the Relevant Period.

The reimbursements by Zhongshan Yuanxin to Li Jian Furnishings during the Relevant Period were approximately as follows:

<table>
<thead>
<tr>
<th>From 1 July 2016 to the Latest Practicable Date (RMB’000)</th>
<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB’000)</th>
<th>HY2016 (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursement of costs of renovation materials by Zhongshan Yuanxin</td>
<td>–</td>
<td>28</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>
The Directors believe that while the above reimbursement arrangement was not entered into an arm's length basis as the costs of renovation materials reimbursed by Zhongshan Yuanxin to Li Jian Furnishings were on a cost-reimbursement basis, it is not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders. The Dasin Retail Trust Group does not intend to continue with such transaction after completion of the Listing.

(xiv) Advances by/to Interested Persons to/by the Dasin Retail Trust Group

Amounts due from Zhongshan Yuanxin to Interested Persons

During the Relevant Period, Zhongshan Yuanxin had received advances from the following Interested Persons mainly for general working capital purposes:

(a) Dasin Management and Investment, a company which is wholly owned by the Zhang Vendors;

(b) the Sponsor (through entrustment loans); and

(c) Dasin Property Investment (which held 60.0% of the interests in Zhongshan Yuanxin prior to the acquisition of Zhongshan Yuanxin by Yuan Xin Investments Pte. Ltd.\(^{(1)}\), which has 70.0% of its interests held by the sponsor and the remaining 30.0% of its interests held by an independent third party unrelated to the Zhang Family or the Sponsor.

Note:

(1) The remaining 40.0% of the interests in Zhongshan Yuanxin prior to the acquisition of Zhongshan Yuanxin by Yuan Xin Investments Pte. Ltd. was held by Beijing Yin Gang, which is not an Interested Person. The advance extended to Dasin Property Investment was in proportion to the then shareholdings of Dasin Property Investment and Beijing Yin Gang in Zhongshan Yuanxin.

The amounts outstanding under these advances as at the end of FY2013, FY2014, FY2015 and HY2016 and as at the Latest Practicable Date were approximately as follows:

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2013 (RMB'000)</th>
<th>As at 31 December 2014 (RMB'000)</th>
<th>As at 31 December 2015 (RMB'000)</th>
<th>As at 31 June 2016 (RMB'000)</th>
<th>As at the Latest Practicable Date (RMB'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances from</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dasin Management and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances from the</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances from</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dasin Property</td>
<td>80,430</td>
<td>125,217</td>
<td>39,526</td>
<td>15,422</td>
<td>86,808</td>
</tr>
<tr>
<td>Investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There were no amounts outstanding as at the end of FY2013, FY2014, FY2015 and HY2016 and as at the Latest Practicable Date from Zhongshan Yuanxin to Dasin Management and Investment, as the advancements were repaid periodically over the course of FY2013, FY2014, FY2015 and HY2016 and over the course of 1 January 2016 to the Latest Practicable Date.
The amounts due from Zhongshan Yuanxin to Dasin Property Investment increased from RMB 80.4 million as at 31 December 2013 to RMB 125.2 million as at 31 December 2014 mainly due to the increase in advances to Zhongshan Yuanxin for its repayment of loans, operating expenses, payment of stamp duty for the acquisition of Ocean Metro Mall and prepayment for car park space.

The largest amounts due from Zhongshan Yuanxin to Dasin Management and Investment, the Sponsor and Dasin Property Investment during the Relevant Period, based on month-end balances, were approximately RMB 1.4 million, RMB 80.4 million and RMB 242.0 million respectively. As at the Latest Practicable Date, there are no amounts owing from Zhongshan Yuanxin to Dasin Management and Investment. As at the Latest Practicable Date, the outstanding amount owed by Zhongshan Yuanxin to the Sponsor is approximately RMB 86.8 million and this amount will be repaid prior to or on Listing. (See “Use of Proceeds – Issue Proceeds” of this Prospectus for further details.) The Dasin Retail Trust Group does not intend to continue with such transactions after completion of the Listing.

While the advances were not entered into on an arm’s length basis and on normal commercial terms as they were interest-free, unsecured and did not have a fixed term of repayment, the Directors note the historical inter-group cash management arrangement and believe that such advances are not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

**Amounts due from Xinteng Commercial and Xinrui Commercial to Dasin Management and Investment**

During the Relevant Period, Dasin Management and Investment had extended amounts to each of Xinteng Commercial and Xinrui Commercial to cover the associated costs and expenses and related taxes in relation to (i) the spin-off from Dasin Management and Investment to form Xinteng Commercial and Xinrui Commercial respectively and (ii) the restructuring carried out prior to the acquisition of each of Xinteng Commercial and Xinrui Commercial by the relevant Singapore Holding Companies (see “Overview – Overview of the Acquisition of the Initial Portfolio – Acquisition of the Initial Portfolio and Rental Management Companies” of this Prospectus for further details), as well as for the general working capital requirements of each of Xinteng Commercial and Xinteng Commercial.

The amounts outstanding from each of Xinteng Commercial and Xinrui Commercial to Dasin Management and Investment as at the end of FY2013, FY2014, FY2015 and HY2016 and as at the Latest Practicable Date were approximately as follows:

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2013 (RMB’000)</th>
<th>As at 31 December 2014 (RMB’000)</th>
<th>As at 31 December 2015 (RMB’000)</th>
<th>As at 30 June 2016 (RMB’000)</th>
<th>As at the Latest Practicable Date (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts due from Xinteng Commercial to Dasin Management and Investment</td>
<td>–</td>
<td>–</td>
<td>6,400</td>
<td>5,400</td>
<td>2,000</td>
</tr>
<tr>
<td>Amounts due from Xinrui Commercial to Dasin Management and Investment</td>
<td>–</td>
<td>–</td>
<td>16,500</td>
<td>11,500</td>
<td>–</td>
</tr>
</tbody>
</table>

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The largest amounts due from each of Xinteng Commercial and Xinrui Commercial to Dasin Management and Investment during the Relevant Period was approximately RMB 6.4 million and RMB 16.5 million respectively. As at the Latest Practicable Date, the outstanding amount owed by Xinteng Commercial is approximately RMB 2.0 million and this amount will be repaid prior to Listing. The Dasin Retail Trust Group does not intend to continue with such an arrangement after completion of the Listing.

While the advances were interest-free, unsecured and did not have a fixed term of repayment, and therefore not entered into on an arm’s length basis and on normal commercial terms, the Directors note the historical inter-group cash management arrangement and believe that such advances are not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

Amounts due from Xiaolan Xinduhui to the Sponsor

During the Relevant Period, the Sponsor had extended amounts to Xiaolan Xinduhui mainly for working capital purposes. There were no amounts outstanding under this arrangement as at the end of FY2013, FY2014, FY2015 and HY2016 and as at the Latest Practicable Date from Xiaolan Xinduhui to the Sponsor, as the advances were repaid periodically over the course of FY2013, FY2014, FY2015 and HY2016 and over the course of 1 July 2016 to the Latest Practicable Date.

The largest amount due from Xiaolan Xinduhui to the Sponsor during the Relevant Period, based on month-end balances, was approximately RMB 12.0 million. As at the Latest Practicable Date, there is no amount owing from Xiaolan Xinduhui to the Sponsor as they have been repaid. The Dasin Retail Trust Group does not intend to continue with such transactions after completion of the Listing.

While the advances were interest-free, unsecured and did not have a fixed term of repayment, and therefore not entered into on an arm’s length basis and on normal commercial terms, the Directors note the historical inter-group cash management arrangement and believe that such advances are not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

Amounts due from Yicai Xinduhui to Dasin Merchant Investment

During the Relevant Period, Dasin Merchant Investment had extended amounts to Yicai Xinduhui for working capital purposes. There were no amounts outstanding under this arrangement as at the end of FY2015 and as at the Latest Practicable Date from Yicai Xinduhui to Dasin Merchant Investment, as the advancements were repaid periodically over the course of FY2015.

The largest amount due from Yicai Xinduhui to Dasin Merchant Investment during the Relevant Period, based on month-end balances, was approximately RMB 6.0 million. As at the Latest Practicable Date, there is no amount owing from Yicai Xinduhui to Merchant Investment as they have been repaid. The Dasin Retail Trust Group does not intend to continue with such transactions after completion of the Listing.

While the advances were interest-free, unsecured and did not have a fixed term of repayment, and therefore not entered into on an arm’s length basis and on normal commercial terms, the Directors note the historical inter-group cash management arrangement and believe that such advances are not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.
(xv) Advances by the Dasin Retail Trust Group to Interested Persons

Xiaolan Xinduhui had in the past provided advances to the following Interested Persons for general working capital purposes:

(a) Zhongshan Dasin Management and Investment Co., Ltd., Xiao Lan Branch (“Dasin Management and Investment Xiao Lan Branch”), a branch of Dasin Management and Investment, which is wholly-owned by the Zhang Vendors;

(b) Da Cheng Construction Co., Ltd. (“Da Cheng Construction”), which has 90.0% of its interests held by Mr. Zhang Kaicheng (an associate of Mr. Zhang Zhencheng, the Chairman and Non-Executive Director of the Trustee-Manager) and the remaining 10.0% of its interests held by Mr. Zhang Zhongming;

(c) Li Jian Furnishings;

(d) Dasin Light City Commercial Co., Ltd. (“Dasin Light City”), which has 87.0% of its interests held by the Sponsor, 10.0% of its interests held by Dasin Property Investment and the remaining 3.0% of its interests held by an independent third party unrelated to the Zhang Family or the Sponsor;

(e) Dasin Merchant Investment; and

(f) Dasin Management and Investment.

The amounts outstanding under these advances as at the end of FY2013, FY2014, FY2015 and HY2016 and as at the Latest Practicable Date were approximately as follows:

<table>
<thead>
<tr>
<th>Advances to Dasin Management and Investment Xiao Lan Branch</th>
<th>As at 31 December 2013 (RMB’000)</th>
<th>As at 31 December 2014 (RMB’000)</th>
<th>As at 31 December 2015 (RMB’000)</th>
<th>As at 30 June 2016 (RMB’000)</th>
<th>As at the Latest Practicable Date (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances to Da Cheng Construction</td>
<td>–</td>
<td>40,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Advances to Li Jian Furnishings</td>
<td>–</td>
<td>35,500</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Advances to Dasin Light City</td>
<td>–</td>
<td>85,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Advances to Dasin Merchant Investment</td>
<td>–</td>
<td>300,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Advances to Dasin Management and Investment</td>
<td>–</td>
<td>–</td>
<td>60,000</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

The largest amounts due from Dasin Management and Investment Xiao Lan Branch, Da Cheng Construction, Li Jian Furnishings, Dasin Light City, Dasin Merchant Investment and Dasin Management and Investment to Xiaolan Xinduhui during the Relevant Period, based
on month-end balances, were approximately RMB 68.0 million, RMB 45.0 million, RMB 85.0 million, RMB 300.0 million, RMB 60.0 million and RMB 430.5 million respectively. As at the Latest Practicable Date, there is no amount owing from Dasin Management and Investment Xiao Lan Branch, Da Cheng Construction, Li Jian Furnishings, Dasin Light City and Dasin Merchant Investment to Xiaolan Xinduhui as they have been fully repaid. As at the Latest Practicable Date, the outstanding amount owed by Dasin Management and Investment to Xiaolan Xinduhui is approximately RMB 373.1 million, and this amount will be repaid prior to the Listing.

Dasin Management and Investment had in the past provided an advance to Xiaolan Xinduhui for general working capital purposes. The amounts outstanding under this advance as at the end of FY2013, FY2014, FY2015 and HY2016 and as at the Latest Practicable Date were approximately as follows:

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2013 (RMB’000)</th>
<th>As at 31 December 2014 (RMB’000)</th>
<th>As at 31 December 2015 (RMB’000)</th>
<th>As at 30 June 2016 (RMB’000)</th>
<th>As at the Latest Practicable Date (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances from</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dasin Management</td>
<td>2,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and Investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The largest amounts due from Xiaolan Xinduhui to Dasin Management and Investment during the Relevant Period, based on month-end balances, were approximately RMB 14.5 million. As at the Latest Practicable Date, there is no amount owing from Xiaolan Xinduhui to Dasin Management as it has been fully repaid.

Yicai Xinduhui had in the past provided advances to the following Interested Persons for general working capital purposes:

(a) Dasin Management and Investment; and

(b) Dasin Merchant Investment.

The amounts outstanding under these advances as at the end of FY2013, FY2014, FY2015, HY2016 and as at the Latest Practicable Date were as follows:

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2013 (RMB’000)</th>
<th>As at 31 December 2014 (RMB’000)</th>
<th>As at 31 December 2015 (RMB’000)</th>
<th>As at 30 June 2016 (RMB’000)</th>
<th>As at the Latest Practicable Date (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances to Dasin</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and</td>
<td></td>
<td></td>
<td>3,588</td>
<td>3,088</td>
<td>3,588</td>
</tr>
<tr>
<td>Investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances to Dasin</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merchant Investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The largest amounts due from Dasin Management and Investment and Dasin Merchant Investment during the Relevant Period, based on month-end balances, were approximately RMB 3.6 million and RMB 6.0 million respectively. As at the Latest Practicable Date, there is no amount owing from Dasin Merchant Investment to Xiaolan Xinduhui as they have been fully repaid. As at the Latest Practicable Date, the outstanding amount owed by Dasin Management and Investment to Xiaolan Xinduhui is approximately RMB 3.6 million, and this amount will be repaid prior to Listing.
While the advances were interest-free, unsecured and did not have a fixed term of repayment, and therefore not entered into on an arm’s length basis and on normal commercial terms, the Directors note the historical inter-group cash management arrangement and believe that such advances were not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders. The Dasin Retail Trust Group does not intend to continue with such transactions after completion of the Listing.

(xvi) **Construction costs paid to Da Cheng Construction and Li Jian Furnishings**

In 2014, Da Cheng Construction and Li Jian Furnishings were engaged by Xiaolan Xinduhui to provide construction works in relation to the certain renovation works carried out at Xiaolan Metro Mall. The construction fees paid by Xiaolan Xinduhui to Da Cheng Construction and Li Jian Furnishings respectively during the Relevant Period were approximately as follows:

<table>
<thead>
<tr>
<th></th>
<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB’000)</th>
<th>HY2016 (RMB’000)</th>
<th>From 1 July 2016 to the Latest Practicable Date (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Fees paid to Da Cheng Construction</td>
<td>–</td>
<td>–</td>
<td>7,020</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Construction Fees paid to Li Jian Furnishings</td>
<td>–</td>
<td>–</td>
<td>14,016</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Both construction agreements were entered into on an arm’s length basis and carried out on normal commercial terms. Therefore, they are not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders. As such, the Trustee-Manager does not expect Dasin Retail Trust to carry out any further renovations of Xiaolan Metro Mall, save for routine property maintenance. As such, the Dasin Retail Trust Group does not intend to continue with such transactions after completion of the Listing.

(xvii) **Deployment of employees from Xiaolan Xinduhui to Xiaolan Hotel Management and Investment**

During the Relevant Period, Xiaolan Xinduhui deployed certain of its staff to Xiaolan Hotel Management and Investment to provide security services to Crowne Plaza Zhongshan Xiaolan. Xiaolan Xinduhui paid the salaries and fees of these employees and charged a service fee to Xiaolan Hotel Management and Investment. The total amounts of service fees paid to Xiaolan Xinduhui under such an arrangement during the Relevant Period were approximately as follows:

<table>
<thead>
<tr>
<th></th>
<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB’000)</th>
<th>HY2016 (RMB’000)</th>
<th>From 1 July 2016 to the Latest Practicable Date (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service fee paid to Xiaolan Xinduhui for the deployment of security staff</td>
<td>1,004</td>
<td>845</td>
<td>636</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>
The above deployment arrangement was entered into on an arm’s length basis and was on normal commercial terms, having reference to the fees that Xiaolan Xinduhui would normally expect to charge unrelated third parties for the provision of similar services, and is not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders. The Dasin Retail Trust Group does not intend to continue with such transactions after completion of the Listing.

(xviii) Use of temporary spaces in Ocean Metro Mall and Xiaolan Metro Mall by Interested Persons

During the Relevant Period, certain open spaces within Ocean Metro Mall and Xiaolan Metro Mall were temporarily leased by Interested Persons for exhibition and advertising purposes. Details of these Interested Persons as well as the respective fee arrangements are as follows:

(a) Dasin Management and Investment, which is wholly-owned by the Zhang Vendors, paid Zhongshan Yuanxin the amounts of RMB 1.56 million and RMB 1.21 million (both inclusive of related expenses such as utilities and applicable taxes) for the use of temporary spaces in Ocean Metro Mall (with aggregate spaces of 260.0 sq m and 56.0 sq m respectively) for advertising and exhibition purposes respectively, for the period from 1 January 2015 to 31 December 2015;

(b) Dasin Management and Investment, which is wholly-owned by the Zhang Vendors, paid Zhongshan Yuanxin the amounts of RMB 0.7 million and RMB 2.4 million (both inclusive of related expenses such as utilities and applicable taxes) for the use of temporary spaces in Ocean Metro Mall (with aggregate spaces of 190.0 sq m and 200.0 sq m respectively) for advertising and exhibition purposes respectively, for the period from 1 March 2016 to 30 June 2016;

(c) The Sponsor paid Zhongshan Yuanxin the amount of RMB 0.3 million (inclusive of related expenses such as utilities and applicable taxes) for the use of a temporary space in Ocean Metro Mall (with an aggregate space of 18.0 sq m) for exhibition purposes, for the period from 1 January 2015 to 31 December 2015;

(d) Dasin Pass, which is indirectly wholly owned by the Zhang Vendors through the Sponsor, paid Zhongshan Yuanxin the amount of approximately RMB 69,000 (inclusive of related expenses such as utilities and applicable taxes) for the use of temporary space in Ocean Metro Mall (with an aggregate space of 318.2 sq m) for advertising purposes, for the period from 28 December 2014 to 30 June 2015;

(e) Dasin Pass, which is indirectly wholly owned by the Zhang Vendors through the Sponsor, paid Zhongshan Yuanxin the amount of approximately RMB 2.0 million (inclusive of related expenses such as utilities and applicable taxes) for the use of temporary space in Ocean Metro Mall (with an aggregate space of 170.0 sq m) for exhibition purposes, for the period from 1 March 2016 to 30 June 2016;

(f) Guzhen Yunding paid Zhongshan Yuanxin the amount equivalent of approximately RMB 0.33 million (inclusive of related expenses such as utilities and applicable taxes) for the use of a temporary space in Ocean Metro Mall (with an aggregate space of 90.0 sq m) for advertising purposes, for the period from 3 March 2016 to 30 June 2016. Guzhen Yunding is a company that is wholly owned by Guzhen Yunding Xinghe Amusement Investment Co., Ltd. (中山市云顶星河游乐投资有限公司), which has 49.0% of its interests held by Dasin Merchant Investment and the
remaining 51.0% of its interested held by a third party unrelated to the Zhang Family or the Sponsor. Dasin Merchant Investment is wholly owned by the Zhang Vendors through Dasin Management and Investment;

(g) Zhongshan Fu Sha Dasin Real Estate Co., Ltd. (中山市阜沙大信置业有限公司) ("Fu Sha Dasin"), which is wholly owned by the Sponsor, paid Zhongshan Yuanxin the amount equivalent of approximately RMB 0.4 million (inclusive of related expenses such as utilities and applicable taxes) for the use of a temporary space in Ocean Metro Mall (with an aggregate space of 100.0 sq m) for advertising purposes, for the period from 1 March 2016 to 30 June 2016;

(h) The Sponsor paid Xiaolan Xinduhui the amount of RMB 0.18 million (inclusive of related expenses such as utilities and applicable taxes) for the use of a temporary space in Xiaolan Metro Mall (with an aggregate GFA of 10.0 sq m) for exhibition purposes, for the period from 1 November 2015 to 31 December 2015;

(i) The Sponsor paid Xiaolan Xinduhui the amounts of RMB 1.2 million and RMB 1.4 million (both inclusive of related expenses such as utilities and applicable taxes) for the use of temporary spaces in Xiaolan Metro Mall (with aggregate spaces of 400.0 sq m and 140.0 sq m respectively) for advertising and exhibition purposes respectively, for the period from 1 March 2016 to 30 June 2016;

(j) Dasin Management and Investment, which is wholly-owned by the Zhang Vendors, paid Xiaolan Xinduhui the amounts of RMB 2.86 million and RMB 2.5 million (both inclusive of related expenses such as utilities and applicable taxes) for the use of temporary spaces in Xiaolan Metro Mall (with spaces of 164.0 sq m and 420.0 sq m respectively) for exhibition and advertising purposes respectively, for the period from 1 January 2015 to 31 December 2015;

(k) Dasin Management and Investment, which is wholly-owned by the Zhang Vendors, paid Xiaolan Xinduhui the amounts of RMB 1.50 million and RMB 1.75 million (both inclusive of related expenses such as utilities and applicable taxes) for the use of temporary spaces in Xiaolan Metro Mall (with aggregate spaces of 500.0 sq m and 160.0 sq m respectively) for advertising and exhibition purposes respectively, for the period from 1 March 2016 to 30 June 2016;

(l) Dasin Boxin Property Development Co., Ltd. (中山市博信房地产开发有限公司) ("Zhongshan Boxin Property Development") paid Xiaolan Xinduhui the amount of approximately RMB 0.15 million (inclusive of related expenses such as utilities and applicable taxes) for the use of a temporary space in Xiaolan Metro Mall (with an aggregate space of approximately 131.1 sq m) for advertising purposes, for the period from 15 July 2014 to 31 December 2014. Zhongshan Boxin Property Development has 49.0% of its interests held by Dasin Property Investment (which has 70.0% of its interests held by the Sponsor, with the remaining 30.0% held by a third party unrelated to the Zhang Family or the Sponsor), with the remaining 51.0% held by an independent third party unrelated to the Zhang Family or the Sponsor;

(m) Guzhen Yunding paid Xiaolan Xinduhui the amount of RMB 0.8 million (inclusive of related expenses such as utilities and applicable taxes) for the use of a temporary space in Xiaolan Metro Mall (with an aggregate space of 200.0 sq m) for advertising purposes, for the period from 1 March 2016 to 30 June 2016. Guzhen Yunding is a company that is wholly owned by Guzhen Yunding Xinghe Amusement Investment Co., Ltd. (中山市云顶星河游乐投资有限公司), which has 49.0% of its interests held by
Dasin Merchant Investment and the remaining 51.0% of its interested held by a third party unrelated to the Zhang Family or the Sponsor. Dasin Merchant Investment is wholly owned by the Zhang Vendors through Dasin Management and Investment;

(n) Fu Sha Dasin, which is wholly owned by the Sponsor, paid Xiaolan Xinduhui the amount equivalent of approximately RMB 0.6 million (inclusive of related expenses such as utilities and applicable taxes) for the use of a temporary space in Xiaolan Metro Mall (with an aggregate space of 80.0 sq m) for advertising purposes, for the period from 1 March 2016 to 30 June 2016; and

(o) Dasin Management and Investment, which is wholly-owned by the Zhang Vendors, paid Yicai Xinduhui the amounts of RMB 0.7 million and RMB 1.3 million respectively (both inclusive of related expenses such as utilities and applicable taxes) for the use of temporary spaces in Dasin E-Colour (with aggregate spaces of 200.0 sq m and 130.0 sq m respectively) for advertising and exhibition purposes respectively, for the period from 1 March 2016 to 30 June 2016.

The aggregate fees (including related expenses such as utilities, applicable taxes and security deposits) paid to Zhongshan Yuanxin and Xiaolan Xinduhui respectively for the use of such spaces during the Relevant Period were approximately as follows:

<table>
<thead>
<tr>
<th></th>
<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB’000)</th>
<th>HY2016 (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aggregate fees (including related expenses such as utilities, applicable taxes and security deposits) paid by Dasin Management and Investment to Zhongshan Yuanxin</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>2,772</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,086</td>
</tr>
<tr>
<td>Aggregate fees (including related expenses such as utilities and applicable taxes) paid by the Sponsor to Zhongshan Yuanxin</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>333</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>66</td>
</tr>
<tr>
<td>Aggregate fees (including related expenses such as utilities and applicable taxes) paid by Dasin Pass to Zhongshan Yuanxin</td>
<td>–</td>
<td>–</td>
<td>69</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,008</td>
</tr>
<tr>
<td>Aggregate fees (including related expenses such as utilities and applicable taxes) paid by Guzhen Yunding to Zhongshan Yuanxin</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>331</td>
</tr>
<tr>
<td></td>
<td>FY2013 (RMB’000)</td>
<td>FY2014 (RMB’000)</td>
<td>FY2015 (RMB’000)</td>
<td>HY2016 (RMB’000)</td>
</tr>
<tr>
<td>--------------------------</td>
<td>------------------</td>
<td>------------------</td>
<td>------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Aggregate fees (including related expenses such as utilities and applicable taxes) paid by Fu Sha Dasin to Zhongshan Yuanxin</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Aggregate fees (including related expenses such as utilities and applicable taxes) paid by the Sponsor to Xiaolan Xinduhui</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>2,644</td>
</tr>
<tr>
<td>Aggregate fees (including related expenses such as utilities and applicable taxes) paid by Dasin Management and Investment to Xiaolan Xinduhui</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>5,365</td>
</tr>
<tr>
<td>Aggregate fees (including related expenses such as utilities and applicable taxes) paid by Zhongshan Boxin Property Development to Xiaolan Xinduhui</td>
<td>–</td>
<td>152</td>
<td>16</td>
<td>–</td>
</tr>
<tr>
<td>Aggregate fees (including related expenses such as utilities and applicable taxes) paid by Guzhen Yunding to Xiaolan Xinduhui</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Aggregate fees (including related expenses such as utilities and applicable taxes) paid by Fu Sha Dasin to Xiaolan Xinduhui</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Aggregate fees (including related expenses such as utilities and applicable taxes) paid by Dasin Management and Investment to Yicai Xinduhui</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

The Directors are of the opinion that the abovementioned temporary lease arrangements were carried out on an arm’s length basis and on normal commercial terms, and were not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.
After completion of the Listing, we may continue to enter into such temporary lease arrangements. (See “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions – Present and Ongoing Interested Person Transactions – Use of temporary spaces in Dasin E-Colour and Ocean Metro Mall by Interested Persons” of this Prospectus for further details.) Any such temporary lease arrangements will be subject to the review procedures as set out in “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transaction – The Trustee-Manager’s Internal Control Procedures” of this Prospectus and the requirements of Chapter 9 of the Listing Manual.

(xix) Licensing Agreements

On 17 January 2013, the Sponsor granted to Zhongshan Yuanxin a non-exclusive licence to use two trade marks associated with the “大信新都汇” name that is held by the Sponsor. Such authorisation to use the abovementioned trade marks will expire on 20 May 2024.

On 21 May 2013, the Sponsor granted to Xiaolan Xinduhui a non-exclusive licence to use two trade marks associated with the “大信新都汇” name that is held by the Sponsor. Such authorisation to use the abovementioned trade marks will expire on 20 May 2024.

On 15 May 2015, the Sponsor granted to Yicai Xinduhui a non-exclusive licence to use two trade marks associated with the “大信新都汇” name that is held by the Sponsor. Such authorisation to use the abovementioned trade marks will expire on 20 May 2024.

While the licensing agreements were not entered into on an arm’s length basis and were not on normal commercial terms, as no fees or consideration were or was paid by Zhongshan Yuanxin, Xiaolan Xinduhui and Yicai Xinduhui under the abovementioned licence agreements, the above licensing arrangements were not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders. The abovementioned licensing agreements have been terminated, and a new licence agreement has been entered into between the Sponsor and the Trustee-Manager. (See “Certain Agreements Relating to Dasin Retail Trust and the Properties – Dasin Licence Agreement” of this Prospectus for further information.)

(xx) Purchases of supplies and sundries for the opening of Ocean Metro Mall

During the Relevant Period, Zhongshan Yuanxin had purchased certain supplies and sundries from a supermarket retail chain operated by Xin He Commercial Chain, a supermarket operator. Xin He Commercial Chain has 37.5% and 50.0% of its interests held by Mr. Zhang Kaicheng (an associate of Mr. Zhang Zhengcheng, the Chairman and Non-Executive Director of the Trustee-Manager) and the Sponsor respectively, and the remaining 13.5% held by an independent third party unrelated to the Zhang Family or the Sponsor, in preparation for the opening of Ocean Metro Mall. The amounts paid by Zhongshan Yuanxin to Xin He Commercial Chain during the Relevant Period were approximately as follows:

| From 1 July 2016 to the Latest Practicable Date (RMB’000) |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Amounts paid to Xin He Commercial Chain | FY2013 (RMB’000) | FY2014 (RMB’000) | FY2015 (RMB’000) | HY2016 (RMB’000) |                   |
|                 |                 |                 | 164 (RMB’000)   |                 |

336
As the purchases had been made based on their retail prices, the Directors believe that the above transactions were entered into on an arm’s length basis and on normal commercial terms, and were not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders. The Dasin Retail Trust Group does not expect to enter into similar transactions after the completion of the Listing.

(xxi) Provision of F&B-related goods and services by Yuan Yang Dasin Food

During the Relevant Period, Yuan Yang Dasin Food, which is wholly owned by Dasin Food Services, which has 80.0% of its interests is held by Dasin Merchant Investment and the remaining 20.0% of its interests is held by an independent third party unrelated to the Zhang Family or the Sponsor, was engaged by Zhongshan Yuanxin to provide F&B-related goods and services in connection with the hosting of its business associates and hosting dinners for its staff. The amounts paid by Zhongshan Yuanxin to Yuan Yang Dasin Food during the Relevant Period were as follows:

<table>
<thead>
<tr>
<th>From 1 July 2016 to the Latest Practicable Date</th>
<th>FY2013 (RMB’000)</th>
<th>FY2014 (RMB’000)</th>
<th>FY2015 (RMB’000)</th>
<th>HY2016 (RMB’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts paid to Yuan Yang Dasin Food</td>
<td>–</td>
<td>–</td>
<td>254</td>
<td>–</td>
</tr>
</tbody>
</table>

The Directors believe that the above transactions were entered into on an arm’s length basis and on normal commercial terms, and were not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

After completion of the Listing, we may continue with the provision of such F&B-related goods and services to Dasin Retail Trust Group. Any provision of such F&B-related goods and services will be subject to the review procedures as set out in “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transaction – The Trustee-Manager’s Internal Control Procedures” of this Prospectus and the requirements of Chapter 9 of the Listing Manual.

(xxii) Guarantee and security provided by Xinrui Commercial on a loan extended to Shi Li Construction & Engineering Co., Ltd. (中山市力建筑工程有限公司) (“Shi Li Construction & Engineering”)

During the Relevant Period, Dasin Management and Investment had provided a guarantee and a mortgage on a loan of RMB 200.0 million extended by Dongguan Trust Co., Ltd. to Shi Li Construction & Engineering, which has 90.0% of its interests held by Mr. Zhang Kaicheng (an associate of Mr. Zhang Zhencheng, the Chairman and Non-Executive Director of the Trustee-Manager) and the remaining 10.0% of its interests held by Mr. Zhang Zhongming. Following the acquisition of Xinrui Commercial by Lan Xin Investments Pte. Ltd., Xinrui Commercial took over the guarantee and mortgage provided on the loan extended to Shi Li Construction & Engineering. The largest amount guaranteed during the Relevant Period was RMB 200.0 million. As at the Latest Practicable Date, the mortgage and guarantee provided by Xinrui Commercial on the loan extended to Shi Li Construction & Engineering have been discharged.

As Xinrui Commercial did not receive any consideration (monetary or otherwise) for the provision of the above guarantee and mortgage, the above transactions were not entered into on an arm’s length basis and were not on normal commercial terms, but were not
prejudicial to the interests of Dasin Retail Trust and its minority Unitholders. The Dasin Retail Trust Group does not intend to enter into similar transactions after completion of the Listing.

(xxiii) Dividend paid to Dasin Merchant Investment

Prior to the issuance of the Business Licence to Xiaolan Xinduhui, being 4 March 2016, Xiaolan Xinduhui had on 1 March 2016 declared a dividend of RMB 21,894,831.11 for the period 20 May 2013 to 29 February 2016 to its then shareholder, Dasin Merchant Investment. The dividend was fully paid to Dasin Merchant Investment on 17 May 2016.

(xxiv) Novation of the Interested Person Lease between Xiaolan Xinduhui and Dasin Food Services to Xiaolan Dasin Food

On 18 May 2016, Dasin Food Services and Xiaolan Dasin Food entered into a novation agreement for the novation of the lease agreement between Xiaolan Xinduhui and Dasin Food Services to Xiaolan Dasin Food. The novation took effect on 20 May 2016.

As the novation did not change the terms of the lease agreement, the Directors believe that the above transaction was entered into on an arm’s length basis and was on normal commercial terms, and was not prejudicial to the interests of Dasin Retail Trust and its minority Unitholders.

Future Interested Person Transactions

Dasin Retail Trust is regulated by the Listing Manual and the BTA. The Listing Manual and the BTA regulate all Interested Person Transactions.

Depending on the materiality of the transaction, Dasin Retail Trust may be required to make a public announcement of the transaction (Rule 905 of the Listing Manual), or to make a public announcement of and to obtain Unitholders’ prior approval for the transaction (Rule 906 of the Listing Manual). Section 86 of the BTA further requires (a) the Board to make a written statement in accordance with the resolution of the Board and signed by not less than two Directors on behalf of the Board certifying that, among others, the Interested Person Transaction is not detrimental to the interests of all the Unitholders of Dasin Retail Trust as a whole based on the circumstances at the time of the transaction, and (b) the chief executive officer of the Trustee-Manager to, in his or her personal capacity, make a written statement certifying that he or she is not aware of any violation of duties of the Trustee-Manager which would have a material adverse effect on the business of Dasin Retail Trust and the interests of all the Unitholders as a whole. These statements must be annexed to the profit and loss accounts of Dasin Retail Trust in its annual financial statements.

In addition to these written statements, Section 87 of the BTA also requires the Board to attach to Dasin Retail Trust’s profit and loss accounts, a statement of policies and practices in relation to management and governance of Dasin Retail Trust containing such information prescribed by Regulation 20 of the Business Trusts Regulations which includes, among others, a description of measures put in place by the Trustee-Manager to review Interested Person Transactions in relation to Dasin Retail Trust.

The Trust Deed requires the Trustee-Manager to comply with the provisions of the Listing Manual relating to Interested Person Transactions as well as the BTA and such other guidelines relating to Interested Person Transactions as may be prescribed by the MAS or the SGX-ST to apply to business trusts.
The Trustee-Manager may at any time in the future seek a general annual mandate from the Unitholders pursuant to Rule 920(1) of the Listing Manual for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations with Interested Persons, and all transactions conducted under such a general mandate for the relevant financial year will not be subject to the requirements under Rules 905 and 906 of the Listing Manual. In seeking such a general annual mandate, the Trustee-Manager will appoint an independent financial adviser pursuant to Rule 920(1)(b)(v) of the Listing Manual to render an opinion as to whether the methods or procedures for determining the transaction prices of the transactions contemplated under the annual general mandate are sufficient in an effort to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of Dasin Retail Trust and the Unitholders.

Both the BTA and the Listing Manual requirements would have to be complied with in respect of a proposed Interested Person Transaction which is prima facie governed by both sets of rules. Where matters concerning Dasin Retail Trust relate to transactions entered or to be entered into by the Trustee-Manager for and on behalf of Dasin Retail Trust with an “Interested Person” under the Listing Manual and/or the BTA, the Trustee-Manager is required to ensure that such transactions are conducted in accordance with applicable requirements of the Listing Manual, the BTA and/or such other applicable guidelines relating to the transaction in question.

Generally, under the Listing Manual, the Trustee-Manager, its “connected persons” (as defined in the Listing Manual) and any director of the Trustee-Manager are prohibited from voting their respective own Units at, or being part of a quorum for, any meeting to approve any matter in which it has a material interest.

**The Trustee-Manager’s Internal Control System**

The Trustee-Manager will establish an internal controls system to ensure that all future Interested Person Transactions:

(a) will be undertaken on normal commercial terms; and

(b) will not be prejudicial to the interests of Dasin Retail Trust and the Unitholders.

As a general rule, the Trustee-Manager must demonstrate to its Audit and Risk Committee that such transactions satisfy the foregoing criteria. This may entail:

(a) obtaining (where practicable) quotations from parties unrelated to the Trustee-Manager; or

(b) obtaining one or more valuations from independent professional valuers.

The Trustee-Manager will maintain a master list of the Trustee-Manager’s directors and controlling shareholders, as well as Dasin Retail Trust’s controlling unitholders, which are to be updated immediately if there are any changes. In addition, the Trustee-Manager will update the list of its directors and controlling shareholders and their associates, as well as Dasin Retail Trust’s controlling unitholders and their associates, on a quarterly basis. The directors and controlling shareholders of the Trustee-Manager and the controlling unitholders of Dasin Retail Trust are to inform the Trustee-Manager as and when there is any change in the information with relating to their respective associates that they had previously disclosed to the Trustee-Manager. The list will be disclosed to relevant personnel, such as the Board of Directors and the Executive Officers, to enable identification of Interested Persons. Where there are updates or changes, this master list of Interested Persons will be reviewed by the Audit and Risk Committee on a quarterly basis.
Subsidiaries and associated companies of Dasin Retail Trust are required to inform the Trustee-Manager of any upcoming transactions with interested persons so as to obtain the prior approval from the chief executive officer of the Trustee-Manager, the Audit and Risk Committee or Unitholders, in accordance with the provisions of Chapter 9 of the Listing Manual.

The Board of Directors will ensure that all disclosure, approval and other requirements on Interested Person Transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, will be complied with.

The Trustee-Manager will maintain a register to record all Interested Person Transactions which are entered into by the Dasin Retail Trust Group and the bases, including any quotations from unrelated parties and independent valuations obtained to support such bases, on which they are entered into.

The Trustee-Manager will also incorporate into its internal audit plan a review of all Interested Person Transactions entered into by the Dasin Retail Trust Group. The Audit and Risk Committee shall review the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Interested Person Transactions have been complied with. Such review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Audit and Risk Committee. If a member of the Audit and Risk Committee has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Audit and Risk Committee. If a member of the Audit and Risk Committee has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

Furthermore, the following procedures will be undertaken:

(a) transactions (either individually or as part of a series or if aggregated with other transactions involving the same Interested Person during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of Dasin Retail Trust's net tangible assets based on the latest audited accounts will be subject to review by the Audit and Risk Committee at regular intervals;

(b) transactions (either individually or as part of a series or if aggregated with other transactions involving the same Interested Person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of Dasin Retail Trust's net tangible assets based on the latest audited accounts will be subject to the review and prior approval of the Audit and Risk Committee. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee-Manager with third parties which are unrelated the Trustee-Manager; and

(c) transactions (either individually or as part of a series or if aggregated with other transactions involving the same Interested Person during the same financial year) equal to or exceeding 5.0% of the value of Dasin Retail Trust's net tangible assets based on the latest audited accounts will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the Audit and Risk Committee which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Furthermore, under the Listing Manual, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.
Where matters concerning Dasin Retail Trust relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of Dasin Retail Trust with an Interested Person of the Trustee-Manager (which would include relevant associates thereof) or Dasin Retail Trust, the Trustee-Manager is required to consider the terms of such transactions to satisfy itself that such transactions are conducted:

(a) on normal commercial terms;
(b) are not prejudicial to the interests of Dasin Retail Trust and the Unitholders; and
(c) in accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question.

The Trustee-Manager has the discretion under the Trust Deed to decide whether or not to enter into a transaction involving an Interested Person. If the Trustee-Manager is to sign any contract with an Interested Person, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts.

Save for the transactions described above under “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions – Present and Ongoing Interested Person Transactions – Interested Person Transactions in Connection with the Setting up of Dasin Retail Trust and the Offering”, “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions – Present and Ongoing Interested Person Transactions – Other Ongoing Interested Person Transactions” and “Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions – Present and Ongoing Interested Person Transactions – Exempted Agreements”, Dasin Retail Trust will comply with Rule 905 of the Listing Manual by announcing any Interested Person Transaction in accordance with the Listing Manual if such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person during the same financial year, is 3.0% or more of Dasin Retail Trust’s latest audited net tangible assets.

The aggregate value of all Interested Person Transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in Dasin Retail Trust’s annual report for the relevant financial year.

**Role of the Audit and Risk Committee for Interested Person Transactions**

The Audit and Risk Committee will periodically review all Interested Person Transactions to ensure compliance with the Trustee-Manager’s internal controls system and with the relevant provisions of the Listing Manual. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Audit and Risk Committee.

If a member of the Audit and Risk Committee has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.
POTENTIAL CONFLICTS OF INTEREST

The Trustee-Manager has instituted the following procedures to deal with conflicts of interest issues:

(a) The Trustee-Manager will not manage any other business trust which invests in the same type of properties as Dasin Retail Trust.

(b) All resolutions in writing of the Directors in relation to matters concerning Dasin Retail Trust must be approved by a majority of the Directors, including at least one Independent Director.

(c) Every Director shall observe the provisions of Section 156 of the Companies Act relating to the disclosure of the interests of the Directors in transactions or proposed transactions with the Trustee-Manager or of any office or property held by a Director which might create duties or interests in conflict with his duties or interests as a Director. Subject to such disclosure, a Director shall be entitled to vote in respect of any transaction or arrangement in which he is interested and he shall be taken into account in ascertaining whether a quorum is present.

(d) In respect of matters in which the Sponsor and/or their subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or their subsidiaries to the Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude nominee Directors of the Sponsor and/or their subsidiaries.

(e) Save as to resolutions relating to the removal of the Trustee-Manager, the Trustee-Manager and its associates are prohibited from voting or being counted as part of a quorum for any meeting of Unitholders convened to approve any matter in which the Trustee-Manager and/or any of its associates has a material interest.

(f) Where matters concerning Dasin Retail Trust relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of Dasin Retail Trust with an Interested Person of the Trustee-Manager (which would include relevant associates thereof) or Dasin Retail Trust, the Board is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of Dasin Retail Trust and the Unitholders, and in accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with an Interested Person of the Trustee-Manager or Dasin Retail Trust, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts.

(g) It is also provided in the Trust Deed that if the Trustee-Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee-Manager for and on behalf of Dasin Retail Trust with an Interested Person of the Trustee-Manager (acting in its capacity as the trustee-manager of Dasin Retail Trust), the Trustee-Manager shall be obliged to consult with a reputable law firm which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee-Manager, on behalf of Dasin Retail Trust, has a prima facie case against the party allegedly in breach under such agreement, the Trustee-Manager shall be obliged to take appropriate action in relation to such agreement. The Directors of the Trustee-Manager (including the independent directors) will have a duty to
ensure that the Trustee-Manager so complies. Any decision by the Trustee-Manager not to take action against an Interested Person of the Trustee-Manager shall not constitute a waiver of the Trustee-Manager’s right to take such action as it deems fit against such Interested Person and shall, without prejudice to the responsibilities of the Audit and Risk Committee in relation to Interested Person Transactions, be notified to the Audit and Risk Committee.

In addition, to demonstrate the commitment of the Zhang Vendors and Mr. Zhang Zhencheng to Dasin Retail Trust and to mitigate any potential conflict of interests, each of the Zhang Vendors and Mr. Zhencheng had entered into the Sponsor ROFR.

Pursuant to the Sponsor ROFR entered into by the Zhang Vendors and Mr. Zhang Zhencheng (in his personal capacity), the Zhang Vendors and Mr. Zhang Zhencheng granted rights of first refusal to the Trustee-Manager over future sales of any income-producing real estate or any property development, located in Greater China, which is used primarily for retail purposes, by (i) any one of the Zhang Vendors, Mr. Zhang Zhencheng, any of the entities in which any one of the Zhang Vendors and Mr. Zhang Zhencheng hold more than more than 50.0% of the voting rights or controls (“Controlled Entities”), (ii) any existing or future private fund managed by a Controlled Entity, (iii) any associate of the Zhang Vendors or Mr. Zhang Zhencheng, (iv) or any entity in which such associate(s) holds more than 50.0% of the voting rights or controls. The Zhang Family Trust will not be acquiring or holding any real estate or real estate-related assets used for retail purposes apart from the Units and the Zhang Family Trust will not be used to hold any real estate or real estate-related assets used for retail purposes.

In addition to his personal undertakings, Mr. Zhang Zhencheng has also, in his capacity as the settlor of the Zhang Family Trust, undertaken in the Sponsor ROFR to procure the Family Trustee, as the trustee of the Zhang Family Trust, to grant a right of first refusal to the Trustee-Manager in the event the Zhang Family Trust or its associates, being any entity in which the Zhang Family Trust has a direct or indirect aggregate interest of 30.0% or more, acquires or holds any Relevant Asset.

(See “Certain Agreements relating to Dasin Retail Trust and the Properties – Sponsor ROFR” of this Prospectus for further details on the Sponsor ROFR.)

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Trustee-Manager believes in being a responsible corporate citizen and acknowledges its responsibilities toward society and its stakeholders. The Trustee-Manager seeks to manage its business in a fair and ethical manner to demonstrate its consideration towards employees and the wider community. The Trustee-Manager is committed to providing a safe and healthy working environment for its employees and visitors to its premises and will ensure that sufficient information and training are made available in pursuant of their activities.

As the Trustee-Manager was recently incorporated on 14 August 2015 and Dasin Retail Trust was recently established as a private trust on 15 January 2016, there have been no specific activities undertaken by the Trustee-Manager thus far. Going forward, the Trustee-Manager may also work with the Sponsor on corporate social responsibility initiatives and leverage on the Sponsor’s resources as a platform to reach out to society and its stakeholders for mutual benefit and for the benefit of the community. Through the above, the Trustee-Manager will seek to manage its activities and continuously develop and improve its corporate responsibility.
THE SPONSOR

The Sponsor – Zhongshan Dasin Real Estate Co., Ltd.

Overview of the Sponsor

The Sponsor was established on 13 July 2001 in Zhongshan City, Guangdong Province, PRC and is a large-scale private enterprise. Over the past 14 years, the Sponsor has established itself as one of the leading developers in Zhongshan City, and has a strong reputation for its strength in commercial real estate development. In the short span of 14 years, the Sponsor had successfully developed and operated commercial and residential properties located throughout Zhongshan City, in different towns with different characteristics.

Since its inception, the Sponsor had developed, completed and is currently operating 10 retail malls, and currently also owns 10 assets which are undergoing development and reconstruction. In addition to these commercial projects, the Sponsor had also developed and is currently managing several residential real estate projects, a school and three hotels. Its principal business is focused on the development and management of real estate, including the development and operation of retail malls, hotels, educational facilities and residential properties.

The Sponsor holds a Grade 1 Real Estate Development Licence in PRC. It has also been awarded multiple national-level industry awards which include “China’s Top 10 Commercial Real Estate Development Companies” from 2012 to 2016, “China’s Top 10 Fastest Growing Commercial Real Estate Development Companies” from 2013 to 2014 and “China’s Top 500 Real Estate Development Companies” from 2012 to 2015. These awards were awarded to the Sponsor for its strong property development and management capabilities.

The Sponsor is wholly-owned by the Zhang Vendors with Mr. Zhang Zhongming, Mr. Zhang Kaicheng and Mr. Zhang Jiucheng holding 25.0%, 37.5% and 37.5% of the interests respectively.

Track Record of the Sponsor

Since its inception in 2001, the Sponsor has established a strong presence and track record in its core business market of PRC. Some of the Sponsor’s key activities in China include:

(i) Commercial Projects: Over the years since its inception, the Sponsor had expanded its scale of enterprise, and is currently one of the top 10 commercial real estate companies in PRC. The Sponsor was among the top 10 Chinese integrated commercial and real estate companies in 2016. Some of its major commercial projects include the ROFR Properties.

(ii) Residential Projects: The Sponsor’s philosophy has been to build livable residential projects. Its experience ranges from common residential estates to environmentally friendly residential projects. Till date, the Sponsor has developed a large number of high-quality residential estates, including the Dasin • Metro Garden, Dasin • Coast Garden and several residential districts such as the Dasin • Green Garden and the Dasin • E-Colour. The Sponsor also frequently organises activities for the residents living in its residential projects, such as Mid-Autumn Festival celebrations, sports meets and community cultural festivals. Such initiatives serve to create a harmonious relationship between the residents and the Sponsor.

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1 A “Grade 1” Real Estate Development Licence is the highest grade of real estate development licence for PRC real estate development enterprises and according to Article 18 of Administrative Regulation of PRC on Real Estate Development Enterprise, a real estate development enterprise with Grade 1 licence is permitted to contract for real estate development projects in PRC without any restrictions as to the construction scale.
(iii) Diversified Developments: Other than developing and managing residential and commercial real estate projects, the Sponsor believes in creating an innovative business strategy modelled on a multi-industry business structure. Therefore, the Sponsor expanded into, amongst others, the technological, hospitality, F&B, microfinance and the education industries, as follows:

- **F&B:** The Sponsor owns and operates a few restaurants, namely, Xin Xuan Tea House, Xin Xuan Restaurant and Dasin Seafood City;
- **Hospitality:** In 2013, the Sponsor took over the former Shangri-La Hotel in Zhongshan and reconstructed it into the Dasin Convention Centre Hotel. In addition, the Sponsor also manages two other hotels, namely, the Dasin Holiday Inn Hotel and Dasin Crowne Plaza;
- **Technology:** In June 2013, the Sponsor set up Zhongshan Dasin Pass Intelligent Technology Co., Ltd., which then acquired the interests of Zhongshan Pass Smart Card Co., Ltd. at the end of 2013. Since then, the Sponsor began its involvement in the non-financial third party payment industry, which included the provision of online payment services and the usage of pre-paid cards, which had bolstered the Sponsor’s retail mall business;
- **Education:** In 2006, the Sponsor expanded into the education industry by setting up the Dasin Shiqi Central Primary School, which has since educated many primary school students and developed a substantial alumnus of students; and
- **Microfinance:** The Sponsor also provides microfinancing in conjunction with Zhongshan Dasin Microfinance. The provision of these loan facilities are targeted at the small and medium enterprises in Zhongshan City.

*Individual Retail Shop Units owned by the Zhang Family and their respective immediate family, and entities in which each of them hold more than 50.0% of the voting rights or controls, in Residential Estates Developed and/or Managed by the Sponsor*

As at the Latest Practicable Date, in addition to the ROFR Properties, the Zhang Family and their respective immediate family, and entities in which each of them hold more than 50.0% of the voting rights or controls, hold, in aggregate, approximately 413 retail shop units in seven residential estates developed and/or managed by the Sponsor, with a total gross floor area of approximately 66,929.0 sq m ranging from 6.6 sq m to approximately 1,000.0 sq m per unit.

These shop units are located within residential estates that were developed and/or managed by the Sponsor as part of its residential property projects. These shop units cater to the residents of the residential estates, comprising F&B outlets, general amenities, clothing retail shops and others.

As a large portion of these residential developments have been sold by the Sponsor along with some of the shop units, these remaining shop units form an insignificant part of the Zhang Vendors’ retail portfolio. In addition, the remaining shop units are generally scattered over the residential estates and leased out to retail tenants. As they are not concentrated on the same plot of land, it is difficult to centrally manage these retail units as part of a retail complex. In view of the aforesaid, it is not part of the Sponsor’s strategy to hold these retail units and the Sponsor intends to divest these retail shop units should suitable market opportunities arise. For these same reasons, and due to the small scale and nature of these shop units which are not comparable to retail malls, the Sponsor is of the view that they are not suitable and would also not fall within the investment mandate of Dasin Retail Trust. Therefore, these retail shop units are not included in the Initial Portfolio of Dasin Retail Trust and do not fall within the scope of the Sponsor ROFR.
THE FORMATION AND STRUCTURE OF DASIN RETAIL TRUST

The Trust Deed is a complex document and the following is a summary only and is qualified in its entirety by, and is subject to, the contents of the Trust Deed. Recipients of this Prospectus and all prospective investors should refer to the Trust Deed itself to confirm specific information or for a detailed understanding of Dasin Retail Trust. The Trust Deed is available for inspection at the registered office of the Trustee-Manager at 8 Marina Boulevard #14-02 Marina Bay Financial Centre Tower 1 Singapore 018981.

BACKGROUND

Dasin Retail Trust was constituted as a business trust in Singapore on 15 January 2016 by a declaration of trust by Dasin Retail Trust Management Pte. Ltd., as the trustee-manager of Dasin Retail Trust, under the Trust Deed. The Trustee-Manager is wholly-owned by Mr. Zhang Zhencheng and Shun Fung Investment Limited\(^1\) holding 99.0% and 1.0% of the interests respectively.

The terms and conditions of the Trust Deed shall be binding on each Unitholder (and persons claiming through such Unitholder) as if such Unitholder had been a party to the Trust Deed and as if the Trust Deed contains covenants by such Unitholder to observe and be bound by the provisions of the Trust Deed and an authorisation by each Unitholder to do all such acts and things as the Trust Deed may require the Trustee-Manager to do.

OPERATIONAL STRUCTURE

Dasin Retail Trust’s principal investment objective 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.

Dasin Retail Trust aims to generate returns for its Unitholders by owning, buying and actively managing such properties in line with its investment strategy (including the selling of any property where suitable market opportunities arise to realise its optimal market potential and value).

UNIT ISSUE MANDATE

By subscribing for Units pursuant to or in connection with the Offering, Unitholders are (A) deemed to have approved the issuance of all Units pursuant to or in connection with the Offering, as well as the issuance of the Aqua Wealth Units, Sino-Ocean Units and Cornerstone Units, under Section 36 of the BTA and (B) deemed to have given the authority (the “Unit Issue Mandate”) to the Trustee-Manager, pursuant to Section 36 of the BTA, to:

(i) (a) issue Units whether by way of rights, bonus or otherwise; and/or

(b) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Units to be issued, including, but not limited to, the creation and issuance of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and

\(^{1}\) Shun Fung Investment Limited, a company incorporated in the Macau Special Administrative Region of Mainland China, is wholly-owned by Mr. Zhang Zhencheng.
issue Units in pursuance of any Instrument made or granted by the Trustee-Manager while the Unit Issue Mandate was in force (notwithstanding that the authority conferred by the Unit Issue Mandate may have ceased to be in force at the time such Units are issued),

provided that:

(A) the aggregate number of Units to be issued pursuant to the Unit Issue Mandate (including Units to be issued in pursuance of Instruments made or granted pursuant to the Unit Issue Mandate) shall not exceed 50.0% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders shall not exceed 20.0% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below);

(B) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (A) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) after completion of the Offering, after adjusting for any subsequent bonus issue, consolidation or subdivision of Units;

(C) in exercising the Unit Issue Mandate, the Trustee-Manager shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed for the time being in force (unless otherwise exempted or waived by the MAS);

(D) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by the Unit Issue Mandate shall continue in force until (i) the conclusion of the first annual general meeting of Dasin Retail Trust or (ii) the date by which first annual general meeting of Dasin Retail Trust is required by applicable regulations to be held, whichever is earlier;

(E) where the terms of the issuance of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Trustee-Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by the Unit Issue Mandate may have ceased to be in force at the time the Instruments or Units are issued; and

(F) the Trustee-Manager be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager may consider expedient or necessary or in the interest of Dasin Retail Trust to give effect to the authority conferred by the Unit Issue Mandate.

THE TRUST DEED

Dasin Retail Trust, a business trust under the BTA, is constituted by the Trust Deed and is principally regulated by the SFA and the BTA. The terms and conditions of the Trust Deed and all deeds supplemental to it shall be binding on each Unitholder (and persons claiming through such Unitholder) as if such Unitholder had been a party to the Trust Deed and as if the Trust Deed and such supplemental deeds contain covenants by such Unitholder to observe and be bound by the provisions of the Trust Deed and such supplemental deeds, and an authorisation by each Unitholder to do all such acts and things as may be required of the Trustee-Manager under the Trust Deed and such supplemental deeds.

The provisions of the BTA prescribe certain terms of the Trust Deed and certain rights, duties and obligations of the Trustee-Manager and Unitholders under the Trust Deed.
The Units and Unitholders

The rights and interests of Unitholders are contained in the Trust Deed. Under the Trust Deed, these rights and interests are safeguarded by the Trustee-Manager.

Each Unit represents an undivided interest in Dasin Retail Trust. A Unitholder has no equitable or proprietary interest in the Trust Property and is not entitled to transfer to it of any Trust Property (or any part thereof) or of any real estate, any interest in any asset and real estate-related Trust Property (or any part thereof). A Unitholder’s right is limited to the right to require due administration of Dasin Retail Trust in accordance with the provisions of the Trust Deed, including, without limitation, by suit against the Trustee-Manager.

Under the Trust Deed, each Unitholder acknowledges and agrees that it will not commence or pursue any action against the Trustee-Manager seeking an order for specific performance or for injunctive relief in respect of the Trust Property (or any part thereof) and waives any rights it may otherwise have to such relief. If the Trustee-Manager breaches its duties or obligations to the Unitholder under the Trust Deed, the Unitholder’s recourse against the Trustee-Manager is limited to a right to recover damages or compensation from the Trustee-Manager in a court of competent jurisdiction, and each Unitholder acknowledges and agrees that damages or compensation is an adequate remedy for such breach.

Further, unless otherwise expressly provided in the Trust Deed, a Unitholder may not interfere or seek to interfere with the rights, powers, authority or discretion of the Trustee-Manager, exercise any right in respect of the Trust Property or any part thereof or lodge any caveat or other notice affecting the real estate or real estate-related Trust Property (or any part thereof), or require that any part of the Trust Property be transferred to such a Unitholder.

No certificate shall be issued to Unitholders by the Trustee-Manager in respect of Units issued to Unitholders. For so long as Dasin Retail Trust is listed, quoted and traded on the SGX-ST and/or any other stock exchange of repute in any part of the world (“Recognised Stock Exchange”), the Trustee-Manager shall appoint CDP as the Unit depository for Dasin Retail Trust in accordance with CDP’s depository services terms and conditions relating to the deposit of Units in CDP (“Depository Services Terms and Conditions”). All Units issued will be represented by entries in the register of Unitholders kept by the Trustee-Manager or the agent appointed by the Trustee-Manager in the name of, and deposited with, CDP as the registered holder of such Units. The Trustee-Manager or the agent appointed by the Trustee-Manager shall issue to CDP not more than 10 Business Days after the issuance of Units a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium and for the purposes of the Trust Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

There is no restriction under the Trust Deed or Singapore law on a person’s right to purchase (or subscribe for) Units and to own Units except in the case of a rights issue where the Trustee-Manager has the right under the Trust Deed to elect not to extend an offer of Units under a rights issue to Unitholders whose addresses are outside Singapore.

Changes in Unitholders’ Equity

The Trustee-Manager may at any time, on prior written notice (such notice period to be determined by the Trustee-Manager in its absolute discretion) to each Unitholder or, when the Units of Dasin Retail Trust are listed on the SGX-ST, by the Trustee-Manager delivering such notice in writing to CDP for onward delivery to the Unitholders, determine that each Unit shall be sub-divided into two or more Units or consolidated with one or more other Units and the Unitholders shall be bound to accept their new number of Units accordingly.
The Register shall be altered accordingly to reflect the new number of Units held by each Unitholder as a result of such sub-division or consolidation. To effect this, the Trustee-Manager shall cause CDP to alter the depository register maintained by CDP (the “Depository Register”) accordingly in respect of each relevant Unitholder’s securities account or sub-account maintained by a Depositor (as defined in Section 130A of the Companies Act) with CDP (“Securities Account”) to reflect the new number of Units held by such Unitholder as a result of such sub-division or consolidation.

**Rights, Preferences and Restrictions Attaching to Each Class of Units**

The Trust Deed provides that rights attached to the Units issued with special conditions have to be clearly defined in the Trust Deed and, if at any time, different classes of Units are issued, the rights attached to any class (unless otherwise provided by the terms of issuance of the Units of that class) may, subject to the provisions of any applicable laws, regulations and guidelines, be varied or abrogated with the sanction of an Extraordinary Resolution passed at a separate meeting of Unitholders of that class.

Currently, only one class of Units is contemplated and will be issued pursuant to this Offering and every Unit carries the same voting rights. Under the BTA, only the persons registered in the statutory register maintained by the Trustee-Manager are recognised as registered holders of the Units in issue. For so long as Dasin Retail Trust is listed, CDP shall be the registered holder of all the Units in issue and CDP shall, pursuant to the Depository Services Terms and Conditions, maintain a record in a depository register of the Unitholders having Units credited into their respective Securities Accounts and record in the Depository Register, among others, the following information in relation to each Unitholder:

(i) the names and addresses of the Unitholders;

(ii) the number of Units held by each Unitholder;

(iii) the date on which every such person entered in respect of the Units standing in his or her name became a Unitholder and, where he or she became a Unitholder by virtue of an instrument of transfer, a sufficient reference to enable the name and address of the transferor to be identified; and

(iv) the date on which any transfer is registered and the name and address of the transferee.

Under the Trust Deed, each Unitholder named in the depository register shall for such period as the Units are entered against his or her name in the depository register, be deemed to be the owner in respect of the number of Units entered against such Unitholder’s name in the depository register and would be entitled to attend and vote at general meetings of Unitholders. The Trustee-Manager shall be entitled to rely on any and all such information in the depository register.

The entries in the depository register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Unitholder and, in the event of any discrepancy between the entries in the depository register and the details appearing in any contract statements, statement of account balances, confirmation note or monthly statement issued by CDP, the entries in the depository register shall prevail unless the Unitholder proves to the satisfaction of the Trustee-Manager and CDP that the depository register is incorrect.
Voting Rights

A Unitholder is entitled to attend, speak and vote at any general meeting of the Unitholders in person or by proxy and a Unitholder may appoint not more than two proxies to attend and vote at the same general meeting as a Unitholder if his or her name appears on the Depository Register as at 48 hours before the time of the relevant general meeting as certified by CDP to Dasin Retail Trust. Except as otherwise provided in the Trust Deed, not less than two Unitholders must be present in person or by way of proxy, provided that (i) a proxy representing more than one Unitholder shall only count as one Unitholder for the purpose of determining the quorum and (ii) where a Unitholder is represented by more than one proxy such proxies shall count as only one Unitholder for the purpose of determining the quorum. Under the Trust Deed, on a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit which he or she holds or represents.

Variation of Rights of Respective Classes of Units

If at any time different classes of Units are issued, the rights attached to any class (unless otherwise provided by the terms of issuance of the Units of that class) may, subject to any applicable laws, regulations and guidelines, whether or not Dasin Retail Trust is being wound up, be varied or abrogated with the sanction of an Extraordinary Resolution passed at a separate meeting of Unitholders of that class. To every such separate meeting of Unitholders of that class, the provisions of the Trust Deed relating to general meetings of the Unitholders shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy or by attorney at least one-third of the issued Units of the class and that any Unitholder of that class present in person or by proxy or by attorney may demand a poll.

The rights conferred upon the Unitholders of any class of Units issued with preferred, deferred, subordinated, or other rights shall not, unless otherwise expressly provided by the terms of issuance of the Units of that class or by the Trust Deed as are in force at the time of such issue, be deemed to be varied by the creation or issuance of further Units ranking equally therewith.

The Trust Deed does not impose more stringent conditions for variation of rights of various classes of Units than those required by applicable law.

Issuance of Units

The Trustee-Manager has the exclusive right to issue Units for the account of Dasin Retail Trust. For so long as Dasin Retail Trust is listed on the SGX-ST, the Trustee-Manager may issue Units, subject to the provisions of the Listing Manual, the Trust Deed, the BTA and any other relevant laws, regulations and guidelines.

If in connection with an issuance of a Unit, any requisite payment of the issue price for such Unit has not been received by the Trustee-Manager by the seventh Business Day after the Unit was agreed to be issued (or such other date as the Trustee-Manager may decide), the Trustee-Manager may cancel its agreement to issue such Unit, and such Unit will be deemed never to have been issued or agreed to be issued and the investor therefore shall have no right or claim in respect thereof against the Trustee-Manager. In such an event, the Trustee-Manager may, at its discretion, charge the investor (and retain the same for its own account) a cancellation fee of such amount as the Trustee-Manager may in its discretion determine to represent the administrative costs involved in processing the application for such Unit and no previous valuations of Dasin Retail Trust shall be re-opened or invalidated as a result of the cancellation of such Units.
Suspension of Issuance of Units

The Trustee-Manager may, subject to the Listing Manual, suspend the issuance of Units during:

- any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- the existence of any state of affairs which, in the opinion of the Trustee-Manager, might seriously prejudice the interests of the Unitholders as a whole or the Trust Property;
- any breakdown in the means of communication normally employed in determining the price of any assets of Dasin Retail Trust or the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange, or when for any reason the prices of any assets of Dasin Retail Trust cannot be promptly and accurately ascertained;
- any period when remittance of money which will or may be involved in the realisation of any asset of Dasin Retail Trust or in the payment for such asset of Dasin Retail Trust cannot, in the opinion of the Trustee-Manager, be carried out at normal rates of exchange;
- in relation to any general meeting of Unitholders, the period of 48 hours before such general meeting or any adjournment thereof;
- any period where the issuance of Units is suspended pursuant to any order or direction issued by the MAS; or
- when the business operations of the Trustee-Manager in relation to Dasin Retail Trust are substantially interrupted or closed as a result of, or arising from, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the Trustee-Manager and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised (as set out above) exists, upon the declaration in writing thereof by the Trustee-Manager.

In the event of any suspension while Dasin Retail Trust is listed on the SGX-ST, the Trustee-Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST via SGXNET.

Redemption of Units

The Trust Deed provides that any redemption of Units will be carried out in accordance with the Business Trusts Act, the rules of the Listing Manual (if applicable) and all other applicable laws and regulations.

For so long as the Units are listed on the SGX-ST, the Unitholders have no right to request that the Trustee-Manager redeem their Units while the Units are listed on the SGX-ST. Unitholders may only deal in their listed Units through trading on the SGX-ST.
Rights and Liabilities of Unitholders

The key rights of Unitholders include rights to:

- receive income and other distributions attributable to the Units held;
- receive audited accounts and the annual reports of Dasin Retail Trust; and
- participate in the winding up or liquidation of Dasin Retail Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of Dasin Retail Trust less any liabilities, in accordance with their proportionate interests in Dasin Retail Trust.

No Unitholder has a right to require that any asset of Dasin Retail Trust be transferred to him or her.

Further, Unitholders cannot give any directions to the Trustee-Manager (whether at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed or otherwise) if it would require the Trustee-Manager to do or omit doing anything which may result in:

- Dasin Retail Trust ceasing to comply with applicable laws and regulations; or
- the interference in the exercise of any discretion expressly conferred on the Trustee-Manager by the Trust Deed.

The Trust Deed contains provisions that are designed to limit the liability of a Unitholder to the amount paid or payable for any Unit. The provisions seek to ensure that if the issue price of the Units held by a Unitholder has been fully paid, no such Unitholder, by reason alone of being a Unitholder, will be personally liable to indemnify the Trustee-Manager or any creditor of Dasin Retail Trust in the event that the liabilities of Dasin Retail Trust exceed its assets.

Under the Trust Deed, every Unit carries the same voting rights.

Limitations on Right to Own Units – Units Issued to Persons Resident Outside Singapore

In relation to any rights issue, the Trustee-Manager may in its absolute discretion elect not to extend an offer of Units under such rights issue to those Unitholders whose addresses are outside Singapore. In such event, the rights or entitlements to the Units of such Unitholders will be offered for subscription by the Trustee-Manager as the nominee and authorised agent of each such relevant Unitholder in such manner and at such price as the Trustee-Manager may determine. Where necessary, the Trustee-Manager shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale, if successful, will be paid to the relevant Unitholders whose rights or entitlements have been thus sold, provided that where such proceeds payable to any Unitholder is less than S$10.00, the Trustee-Manager shall be entitled to retain such proceeds as part of the Trust Property.

Amendments to the Trust Deed

The Trustee-Manager shall be entitled, by deed supplemental to the Trust Deed and with the prior approval of the relevant authorities, to modify, alter or add to the provisions of the Trust Deed in such manner and to such extent as it may consider expedient for any purpose subject to the provisions of the BTA and the Listing Manual.
The BTA currently provides that the trust deed of a registered business trust may be amended by a resolution passed by the unitholders of that trust holding in the aggregate not less than 75.0% of the voting rights of all the unitholders of that trust who, being entitled to do so, vote in person or by proxy present at a general meeting of which not less than 21 days' written notice specifying the intention to propose the resolution as a Special Resolution has been duly given.

**Circumstances under which the Trustee-Manager may be indemnified out of the Trust Property**

In general, subject to any express provision under the Trust Deed and without prejudice to any right of indemnity at law given to the Trustee-Manager, the Trustee-Manager is entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be subject to as Dasin Retail Trust's trustee-manager to have recourse to the Trust Property or any part thereof, save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, wilful default, breach of trust by the Trustee-Manager or where the Trustee-Manager failed to exercise Due Care.

**Circumstances under which the Trustee-Manager may exclude liability in relation to the carrying out of its duties with respect to Dasin Retail Trust**

Subject to the duties and obligations of the Trustee-Manager under the Trust Deed, the Trustee-Manager shall not be liable for any act or omission in relation to Dasin Retail Trust save where there is, on the part of the Trustee-Manager, fraud, gross negligence, wilful default, breach of trust or where the Trustee-Manager fails to exercise Due Care.

In the absence of fraud, wilful default, gross negligence, breach of trust by the Trustee-Manager or where the Trustee-Manager can show that it had exercised Due Care, the Trustee-Manager shall not incur any liability to the Unitholders by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the Trust Deed.

**Appointment, removal, resignation or retirement of the Trustee-Manager**

The Trust Deed provides that appointment, removal, resignation and retirement of the Trustee-Manager shall only be in accordance with applicable laws, regulations and guidelines. (See “The Trustee-Manager – The Trustee-Manager of Dasin Retail Trust – Retirement or Removal of the Trustee-Manager” of this Prospectus for further details).

**Fees and Charges payable to the Trustee-Manager**

The Trust Deed provides that there may be fees and charges paid out of the Trust Property (either directly or, if relevant, indirectly through a special purpose vehicle) in addition to any other fees or charges expressly authorised by the Trust Deed, by way of payment to or reimbursement of the Trustee-Manager, all fees, costs, charges and expenses reasonably incurred in connection with or arising out of the Trustee-Manager carrying out its duties and complying with its obligations (whether imposed by the relevant laws, regulations and guidelines or the Trust Deed), exercising all powers, authorities, discretions and rights under the Trust Deed or pursuant to any undertaking, indemnity, representation or warranty given by or agreement entered into by the Trustee-Manager pursuant to its powers, authorities, discretions and rights under the Trust Deed or in managing and administering Dasin Retail Trust, including, but not limited to, those expressly set out in the Trust Deed.
Changes in the Fees and Charges Payable to the Trustee-Manager

An Extraordinary Resolution is required to modify the Trust Deed to approve any increase in the rates of, or any change in the formula for calculation of, the Management Fee, the Acquisition Fee, the Divestment Fee or the Trustee Fee.

Winding-up

Notwithstanding the time, circumstances or event specified in the Trust Deed, but subject otherwise to the BTA, the winding up of Dasin Retail Trust would still be subject to approval by not less than a majority of the voting rights of all Unitholders present and voting in general meeting. The duration of the trust constituted by the Trust Deed is of indefinite duration but Dasin Retail Trust may, without prejudice to the provisions of the BTA, be wound up by the Trustee-Manager in the event that any law shall be passed which renders it illegal or, in the opinion of the Trustee-Manager, impracticable or inadvisable to continue Dasin Retail Trust and approval for the winding up has been given by Unitholders by way of an Extraordinary Resolution duly passed by the Unitholders at a meeting thereof convened by the Trustee-Manager in accordance with the Trust Deed.

DECLARATION OF UNITHOLDINGS

Duty of Trustee-Manager to Make Disclosure

Pursuant to Section 137R of the SFA, where the Trustee-Manager acquires or disposes of interests in Units or derivatives of Units in, or debentures or Units of debentures of Dasin Retail Trust, or the Trustee-Manager has been notified in writing by, among others, a Substantial Unitholder or Director or chief executive officer of the Trustee-Manager pursuant to the unitholdings disclosure requirements of the SFA as set out below, the Trustee-Manager shall announce such information via the SGXNET and in such form and manner as the Authority may prescribe as soon as practicable and in any case no later than the end of the Business Day following the day on which the Trustee-Manager became aware of the acquisition or disposal or received the notice.

Substantial Unitholdings

Pursuant to Sections 135 to 137B of the SFA (read with Section 137J of the SFA), Substantial Unitholders are required to notify the Trustee-Manager within two Business Days after becoming aware of their becoming a Substantial Unitholder, any subsequent change in the percentage level of their interest(s) in Units (rounded down to the next whole number) or their ceasing to be a Substantial Unitholder.

Directors and Chief Executive Officer of the Trustee-Manager

Pursuant to Section 137N of the SFA, Directors and the chief executive officer of the Trustee-Manager are required to, within two Business Days, notify the Trustee-Manager of their acquisition of interest in Units or of changes to the number of Units which they hold or in which they have an interest.
CERTAIN AGREEMENTS RELATING TO
DASIN RETAIL TRUST AND THE PROPERTIES

The agreements discussed in this section are complex documents and the following is a summary only. Investors should refer to the agreements themselves to confirm specific information or for a detailed understanding of Dasin Retail Trust. The agreements are available for inspection at the registered office of the Trustee-Manager at 8 Marina Boulevard #14-02 Marina Bay Financial Centre Tower 1 Singapore 018981.

DISTRIBUTION WAIVER UNDERTAKINGS

Each of Aqua Wealth and Bounty Way has on 13 January 2017 provided the Trustee-Manager the Distribution Waiver Undertaking, providing that they shall waive a portion of their entitlements to distributions from Dasin Retail Trust for the Distribution Waiver Period. As the rental levels for the Initial Portfolio is expected to increase to a level that is comparable to the market rate over time, the percentages and number of Units held by Aqua Wealth and Bounty Way which will not be entitled to distributions will decrease over time as set out below.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>As a % of Total Outstanding Units as at the Listing Date</td>
<td>55.0%</td>
<td>48.0%</td>
<td>45.0%</td>
<td>35.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td>% of Units held by Aqua Wealth and Bounty Way, as at the Listing Date, which will not be entitled to Distributions (Assuming Over-Allotment Option is not exercised)</td>
<td>82.5%</td>
<td>72.0%</td>
<td>67.5%</td>
<td>52.5%</td>
<td>22.5%</td>
</tr>
<tr>
<td>% of Units held by Aqua Wealth and Bounty Way, as at the Listing Date, which will not be entitled to Distributions (Assuming Over-Allotment Option is exercised)</td>
<td>84.6%</td>
<td>73.8%</td>
<td>69.2%</td>
<td>53.8%</td>
<td>23.1%</td>
</tr>
<tr>
<td>Number of Units which will not be entitled to Distributions</td>
<td>302,283,481</td>
<td>263,811,038</td>
<td>247,322,848</td>
<td>192,362,214</td>
<td>82,440,948</td>
</tr>
</tbody>
</table>

Pursuant to the Distribution Waiver Undertakings, each of Aqua Wealth and Bounty Way has also agreed to the Distribution Waiver Lock-up where each of Aqua Wealth and Bounty Way has irrevocably and unconditionally undertaken to remain as the holder of, and will not create encumbrances over, the Lock-up Distribution Units during the Distribution Waiver Period.

The restrictions in the Distribution Waiver Lock-up provided by Bounty Way do not apply to the transfer of its Lock-up Distribution Units to (i) the Family Trustee (in its capacity as trustee of the Zhang Family Trust) and/or one of the Family Trustee’s wholly-owned subsidiaries, and/or (ii) one or more of the wholly-owned subsidiaries of Bounty Way, at any time from the date falling one year after the Listing Date, provided that such transferee executes and delivers an undertaking to the Trustee-Manager that it will comply with the Distribution Waiver Undertaking till the end of the Distribution Waiver Period.
SPONSOR ROFR

Each of the Zhang Vendors and Mr. Zhang Zhencheng (in his personal capacity) has on 27 December 2016 granted a right of first refusal to the Trustee-Manager for so long as:

- Dasin Retail Trust is listed and quoted on the Main Board of the Singapore Exchange Securities Trading Limited;

- any one of the Zhang Vendors, Mr. Zhang Zhencheng, any of the entities in which any one of the Zhang Vendors and Mr. Zhang Zhencheng hold more than 50.0% of the voting rights or controls (“Controlled Entities”), any of the immediate family of any of the Zhang Vendors and/or Mr. Zhang Zhencheng, and/or any of the entities in which their immediate family hold more than 50.0% of the voting rights or controls, alone or in aggregate, remains as a controlling shareholder of the Trustee-Manager; and

- any one of DBS Trustee Limited (or any replacement or substitute trustee), in its capacity as the trustee of the Zhang Family Trust, the Zhang Vendors, Mr. Zhang Zhencheng, any of the Controlled Entities, any of the immediate family of any of the Zhang Vendors and/or Mr. Zhang Zhencheng, and/or any of the entities in which their immediate family hold more than 50.0% of the voting rights or controls, alone or in aggregate, remains a controlling unitholder of Dasin Retail Trust,

(the “Right of First Refusal Period”).

For the purposes of the Sponsor ROFR:

- “control” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial or operating policies of an entity;

- a “Relevant Entity” means any associate of the Zhang Vendors or Mr. Zhang Zhencheng, any entity in which such associate(s) holds more than 50.0% of the voting rights or controls, any of the Controlled Entities or any existing or future private fund managed by a Controlled Entity; and

- a “Relevant Asset” refers to any income-producing real estate or any property development, located in Greater China, which is used primarily for retail purposes. Where such income-producing real estate or property development is held by a Relevant Entity through a special purpose company, vehicle or entity (an “SPV”) established solely to own such real estate or property development, the term “Relevant Asset” shall refer to the shares or equity interests, as the case may be, in that SPV. Where such real estate or property development is co-owned by a Relevant Entity as a tenant-in-common, the term “Relevant Asset” shall refer to the ownership share of the Relevant Entity in such real estate or property development. For the avoidance of doubt, “Relevant Asset” includes any real-estate related asset which is incidental to such real estate or property development.

The Sponsor ROFR shall cover any proposed offer by Mr. Zhang Zhencheng, the Zhang Vendors or a Relevant Entity to dispose of any interest in any Relevant Asset which is owned by Mr. Zhang Zhencheng, the Zhang Vendors or the Relevant Entity (as the case may be) (“Proposed Disposal”).

If the Relevant Asset is (a) owned jointly by a Relevant Entity together with one or more third parties and if consent of any of such third parties to offer the Relevant Asset to Dasin Retail Trust is required; or (b) owned by a Relevant Entity which is not wholly-owned by each of the Zhang Vendors or Mr. Zhang Zhencheng (as the case may be) and whose other shareholder(s) or private fund investors is/are third parties, and if consent from such shareholder(s) or private fund
investors to offer the Relevant Asset to Dasin Retail Trust is required, each of the Zhang Vendors and Mr. Zhang Zhencheng (as the case may be) shall use his best endeavours to obtain the consent of the relevant third party(ies) or other shareholder(s) or private fund investors, failing which the Sponsor ROFR will exclude the disposal of such Relevant Asset. For the avoidance of doubt, the grant by any Relevant Entity of a lease (including a long-term lease) over any such Relevant Asset (or any part thereof) for a rent or other service income shall not constitute or be deemed to constitute a Proposed Disposal for the purposes of this paragraph.

The Sponsor ROFR shall:

- be subject to any prior overriding contractual obligations which the Relevant Entity may have in relation to the Relevant Assets and/or the third parties that hold these Relevant Assets;
- exclude the disposal of any interest in the Relevant Assets by a Relevant Entity to its related corporation (as well as transfer of any interest in the Relevant Assets between the Zhang Family) pursuant to a reconstruction, amalgamation, restructuring, merger and/or any analogous event or transfer of shares of the Relevant Entity between the shareholders as may be provided in any shareholders agreement, provided that such related corporation shall first execute and deliver a right of first refusal to the Trustee-Manager on the same terms and conditions; and
- be subject to the applicable laws, regulations and government policies and the listing rules of the SGX-ST, and order, judgment, decree of any court and any other approval required from any regulatory bodies, governmental bodies or other authorities.

In addition to his personal undertakings, Mr. Zhang Zhencheng has also, in his capacity as the settlor of the Zhang Family Trust, undertaken in the Sponsor ROFR to procure the Family Trustee, as the trustee of the Zhang Family Trust, to grant a right of first refusal to the Trustee-Manager in the event the Zhang Family Trust or its associates, being any entity in which the Zhang Family Trust has a direct or indirect aggregate interest of 30.0% or more, acquires or holds any Relevant Asset.

**Right of First Refusal – Proposed Disposal**

Each of the Zhang Vendors and Mr. Zhang Zhencheng shall issue a written notice ("Offer Notice"), any time on or after the date the units in Dasin Retail Trust are first listed on the SGX-ST and during the Right of First Refusal Period, to the Trustee-Manager of any Proposed Disposal. The Offer Notice shall serve as an offer to sell the interest in the Relevant Asset to the Trustee-Manager, which is the subject of the Proposed Disposal on the terms and conditions as set out in the Offer Notice ("Sponsor Offer"). Upon receipt of an Offer Notice, the Trustee-Manager shall have 30 calendar days (or such other period as the parties may agree in writing) to give a written notice of its acceptance ("Acceptance Notice") of all the terms and conditions of the Sponsor Offer, failing which the Trustee-Manager shall be deemed to have declined to accept the Sponsor Offer.

Upon receipt of the Acceptance Notice from the Trustee-Manager, the Zhang Vendors or Mr. Zhang Zhencheng or the Relevant Entity (as the case may be) and the Trustee-Manager shall enter into and carry out negotiations in good faith with each other with a view to entering into a binding definitive agreement for the sale and purchase of the Relevant Asset within 60 calendar days (or such other period as the parties may agree) after receipt of such Acceptance Notice.
Failure to Exercise Right of First Refusal

In the event that the Trustee-Manager fails or does not wish to exercise the Sponsor ROFR, the Relevant Entity shall be entitled to dispose of its interest in the Relevant Asset to a third party on terms and conditions no more favourable to the third party than those offered by the Relevant Entity to the Trustee-Manager.

However, if the completion of the disposal of the Relevant Assets by the Relevant Entity does not occur within 12 months from the date of the Offer Notice, any proposal to dispose of such Relevant Asset after the aforesaid 12-month period shall then remain subject to the Sponsor ROFR.

SALE AND PURCHASE AGREEMENTS

Xiaolan Metro Mall and Dasin E-Colour Sale and Purchase Agreements

On 8 October 2015 and 31 October 2015, Yi Xin Investments Pte. Ltd. and Lan Xin Investments Pte. Ltd. entered into respective sale and purchase agreements with Dasin Management and Investment for the acquisition of Xinteng Commercial (which holds 100.0% of the interests in Dasin E-Colour) and Xinrui Commercial (which holds 100.0% of the interest in Xiaolan Metro Mall), each at a purchase consideration equivalent to the amount of the total registered capital of Xinteng Commercial and Xinrui Commercial, respectively.

Under the Xiaolan Metro Mall and Dasin E-Colour Sale and Purchase Agreements, Dasin Management and Investment represents and warrants to Yi Xin Investments Pte. Ltd. and Lan Xin Investments Pte. Ltd. that, from the date of the Xiaolan Metro Mall and Dasin E-Colour Sale and Purchase Agreements till the date of completion of the acquisition of Xinteng Commercial and Xinrui Commercial, among others:

• each of Xinteng Commercial and Xinrui Commercial shall maintain all normal business operations prior to the completion of the acquisition of Xinteng Commercial and Xinrui Commercial, and that there will not be any changes to the business, financial position, financial conditions or operations of Xinteng Commercial and Xinrui Commercial;
• the licences, approvals, authorisations, orders, confirmations, powers and certificates that are required for the operations of Xinteng Commercial and Xinrui Commercial have been obtained by Xinteng Commercial and Xinrui Commercial and they are existing and in effect; and
• the operations of Xinteng Commercial and Xinrui Commercial comply with all relevant laws and regulations.

In addition, the Xiaolan Metro Mall and Dasin E-Colour Sale and Purchase Agreements state that Dasin Management and Investment will indemnify Yi Xin Investments Pte. Ltd. and Lan Xin Investments Pte. Ltd. respectively, from tax liabilities arising from capital gains pursuant to the sale of shares of Xinteng Commercial and Xinrui Commercial to Yi Xin Investments Pte. Ltd. and Lan Xin Investments Pte. Ltd. respectively.

Termination

Either party is entitled to amend or terminate the Xiaolan Metro Mall and Dasin E-Colour Sale and Purchase Agreements by reason of any of the following: (i) any force majeure event resulting in the disruption of the performance of the Xiaolan Metro Mall and Dasin E-Colour Sale and Purchase Agreements; (ii) either party losing contractual capacity; (iii) the failure of either party to comply with the provisions of the Xiaolan Metro Mall and Dasin E-Colour Sale and Purchase Agreements; and (iv) by consent by both parties.
On 18 October 2015, Yuan Xin Investments Pte. Ltd. entered into a sale and purchase agreement with Dasin Property Investment and Beijing Yin Gang Property Development Co., Ltd., whereby Dasin Property Investment will transfer 60.0% of its interests in Zhongshan Yuanxin to Yuan Xin Investments Pte. Ltd. and Beijing Yin Gang Property Development Co., Ltd. will transfer 40.0% of its interests in Zhongshan Yuanxin to Yuan Xin Investments Pte. Ltd., at a purchase consideration equivalent to the amount of the total registered capital of Zhongshan Yuanxin. Zhongshan Yuanxin holds 100.0% of the interests in Ocean Metro Mall.

Subsequently, after the transfer of Dasin Property Investment’s and Beijing Yin Gang Property Development Co., Ltd.’s 60.0% and 40.0% interests in Zhongshan Yuanxin respectively to Yuan Xin Investments, pursuant to the Ocean Metro Mall Sale and Purchase Agreement, Yuan Xin Investments Pte. Ltd. is required to make a capital contribution to the registered capital of Zhongshan Yuanxin by RMB 350.5 million for the repayment of bank borrowings and loans granted to Zhongshan Yuanxin by Dasin Property Investment and Beijing Yin Gang within three years from the date of the issuance of the Business Licence for Zhongshan Yuanxin, for which Zhongshan Yuanxin has been granted a further extension of three years to 3 March 2022.

Under the Ocean Metro Mall Sale and Purchase Agreement, Dasin Property Investment and Beijing Yin Gang Property Development Co., Ltd. (collectively, the “Ocean Metro Mall Vendors”) jointly represent and warrant to Yuan Xin Investments Pte. Ltd. that, from the date of the Ocean Metro Mall Sale and Purchase Agreement till the date of completion of the acquisition of Zhongshan Yuanxin, among others:

- Zhongshan Yuanxin shall maintain all normal business operations prior to the completion of the acquisition of Zhongshan Yuanxin, and that there will not be any changes to the business, financial position, financial conditions or operations of Zhongshan Yuanxin;

- the licences, approvals, authorisations, orders, confirmations, powers and certificates that are required for the operations of Zhongshan Yuanxin have been obtained by Zhongshan Yuanxin and they are existing and in effect; and

- the operations of Zhongshan Yuanxin comply with all relevant laws and regulations.

According to JunZeJun Law Offices and King & Wood Mallesons, based on the confirmations from Yuan Xin Investments Pte. Ltd., Dasin Property Investment, Beijing Yin Gang and Zhongshan Yuanxin, they are of the view that all the representations and warranties provided to Yuan Xin Investments Pte. Ltd. under the Ocean Metro Mall Sale and Purchase Agreement have been completed.

In addition, the Ocean Metro Mall Sale and Purchase Agreement states that Dasin Property Investment will indemnify Yuan Xin Investments Pte. Ltd. from tax liabilities arising from capital gains pursuant to the sale of shares of Zhongshan Yuanxin to Yuan Xin Investments Pte. Ltd..

**Termination**

Either party is entitled to amend or terminate the Ocean Metro Mall Sale and Purchase Agreement by reason of any of the following: (i) any force majeure event resulting in the disruption of the performance of the Ocean Metro Mall Sale and Purchase Agreement; (ii) either party losing contractual capacity; (iii) the failure of either party to comply with the provisions of the Ocean Metro Mall Sale and Purchase Agreement; and (iv) by consent by both parties.
Rental Management Companies Sale and Purchase Agreement

On 30 September 2015, Lan Xin Management Pte. Ltd. and Yi Xin Management Pte. Ltd. entered into respective sale and purchase agreements with Dasin Merchant Investment for the acquisition of Xiaolan Xinduhui and Yicai Xinduhui, the Rental Management Companies of Xiaolan Metro Mall and Dasin E-Colour respectively, each at a purchase consideration equivalent to the amount of the total registered capital of Xiaolan Xinduhui and Yicai Xinduhui, respectively.

Under the Rental Management Companies Sale and Purchase Agreements, Dasin Merchant Investment represents and warrants to Lan Xin Management Pte. Ltd. and Yi Xin Management Pte. Ltd. that, from the date of the Rental Management Companies Sale and Purchase Agreements till the date of completion of the acquisition of Xiaolan Xinduhui and Yicai Xinduhui, among others:

- each of Xiaolan Xinduhui and Yicai Xinduhui shall maintain all normal business operations prior to the completion of the acquisition of Xiaolan Xinduhui and Yicai Xinduhui, and that there will not be any changes to the business, financial position, financial conditions or operations of Xiaolan Xinduhui and Yicai Xinduhui;

- the licences, approvals, authorisations, orders, confirmations, powers and certificates that are required for the operations of Xiaolan Xinduhui and Yicai Xinduhui have been obtained by Xiaolan Xinduhui and Yicai Xinduhui and they are existing and in effect; and

- the operations of Xiaolan Xinduhui and Yicai Xinduhui comply with all relevant laws and regulations.

In addition, the Rental Management Companies Sale and Purchase Agreements state that Dasin Merchant Investment will indemnify Lan Xin Management Pte. Ltd. and Yi Xin Management Pte. Ltd. respectively, from tax liabilities arising from capital gains pursuant to the sale of shares of Xiaolan Xinduhui and Yicai Xinduhui to Lan Xin Management Pte. Ltd. and Yi Xin Management Pte. Ltd. respectively.

Termination

Either party is entitled to amend or terminate the Rental Management Companies Sale and Purchase Agreements by reason of any of the following: (i) any force majeure event resulting in the disruption of the performance of the Rental Management Companies Sale and Purchase Agreements; (ii) either party losing contractual capacity; (iii) the failure of either party to comply with the provisions of the Rental Management Companies Sale and Purchase Agreements; and (iv) by consent by both parties.

SHIQI FRAMEWORK AGREEMENT


Under the Shiqi Framework Agreement, Mr. Zhang Zhencheng will incorporate Shiqi Holdco which will in turn incorporate two wholly-owned subsidiaries, one of which will be used to acquire the Shiqi PRC Property Company, a project company established by Dasin Management and Investment to hold Shiqi Metro Mall, and the other one of which will be used to acquire the Shiqi Rental Management Company, a wholly-owned subsidiary of Dasin Management and Investment. Dasin Retail Trust will then acquire Shiqi Holdco through Singapore Holdco from Mr. Zhang.
Zhencheng at a purchase consideration of approximately RMB 1,224.0 million which is arrived at on a willing-buyer and willing-seller basis based on the implied acquisition price of Shiqi Metro Mall of approximately RMB 1,224.0 million.

Under the Shiqi Framework Agreement, Mr. Zhang Zhencheng is obliged to enter into the Shiqi Holdco Sale and Purchase Agreement for the sale of Shiqi Holdco to Singapore Holdco and complete the sale of Shiqi Holdco by the Target Shiqi Acquisition Date.

The Shiqi Framework Agreement provides that completion of the Shiqi Holdco Sale and Purchase Agreement will be subject to, among others, the following conditions having been fulfilled:

- the licences, authorisations, orders, grants, confirmations, permissions, registrations, waivers, exemptions and other approvals necessary or desirable for or in respect of the acquisition having been obtained by Mr. Zhang Zhencheng and Dasin Management and Investment (as applicable) from the appropriate governments, governmental, supranational or trade agencies, courts or other regulatory bodies on terms reasonably satisfactory to the Singapore Holdco and such licences, authorisations, orders, grants, confirmations, permissions, registrations, waivers, exemptions and other approvals continuing to remain in full force and effect;

- there being no changes to the business, financial performance, financial conditions or operations of Shiqi Metro Mall, Shiqi Holdco and/or its subsidiaries (including the Shiqi PRC Property Company and the Shiqi Rental Management Company) since the date of the Shiqi Framework Agreement that would in the reasonable opinion of the Singapore Holdco, be likely to have an adverse effect on the turnover, profitability, financial position or prospects of Shiqi Metro Mall, Shiqi Holdco and/or its subsidiaries (including the Shiqi PRC Property Company and the Shiqi Rental Management Company);

- that due diligence to be carried out by Singapore Holdco provides to the reasonable satisfaction of Singapore Holdco, among others, evidence in writing that Shiqi Metro Mall is in compliance with the post-construction completion environmental examinations and acceptance procedures; and

- that the Shiqi PRC Property Company, which is owned by the subsidiary of Shiqi Holdco, holds a good, marketable, legal and beneficial title to Shiqi Metro Mall free from all encumbrances and is the sole legal and beneficial owner of Shiqi Metro Mall and holds the land use right to Shiqi Metro Mall.

If such conditions precedent for the acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company are not met by the Target Shiqi Acquisition Date, Singapore Holdco is entitled to terminate the Shiqi Framework Agreement as well as the Shiqi Holdco Sale and Purchase Agreement without liability. Each of Dasin Management and Investment and Mr. Zhang Zhencheng have undertaken in the Shiqi Framework Agreement that they will use best endeavours to ensure that all encumbrances of Shiqi Metro Mall will be discharged by the Target Shiqi Acquisition Date.

The Shiqi Framework Agreement also provides for certain customary representations and warranties made by Mr. Zhang Zhencheng and Dasin Management and Investment as sellers to the Singapore Holdco. In addition, it states that Mr. Zhang Zhencheng and Dasin Management and Investment will jointly and severally indemnify Singapore Holdco from tax liabilities arising from capital gains pursuant to the transactions contemplated under the Shiqi Framework Agreement.

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1 The implied acquisition price of Shiqi Metro Mall is based on the average of the two independent valuations of Shiqi Metro Mall as at 30 June 2016, and determined on a willing-seller and willing-buyer basis.
If the completion of the acquisition of Shiqi Holdco does not take place on or before the Target Shiqi Acquisition Date due to a material breach by Mr. Zhang Zhencheng and/or Dasin Management and Investment of the Shiqi Framework Agreement (including a failure to meet any conditions precedent stipulated in the Shiqi Framework Agreement and failure to provide the banker’s guarantee within the stipulated timeframe) or the Shiqi Holdco Sale and Purchase Agreement (as the case may be), Mr. Zhang Zhencheng and Dasin Management and Investment shall jointly and severally compensate Singapore Holdco by paying to Singapore Holdco 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 Singapore Holdco; or (iii) 31 December 2017, whichever is earlier, up to a maximum of RMB 19.6 million for the year 2017. If the completion of the acquisition of Shiqi Holdco does not take place on or before 31 December 2017, due to a material breach by Mr. Zhang Zhencheng and/or Dasin Management and Investment of the Shiqi Framework Agreement (including a failure to meet any conditions precedent stipulated in the Shiqi Framework Agreement and failure to provide the banker’s guarantee within the stipulated timeframe) or the Shiqi Holdco Sale and Purchase Agreement (as the case may be), Mr. Zhang Zhencheng and Dasin Management and Investment shall jointly and severally compensate Singapore Holdco by paying to Singapore Holdco 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 Singapore Holdco; or (iii) 31 December 2018, whichever is earlier, up to a maximum of RMB 56.2 million for the year 2018. Such compensation is without prejudice to the legal remedies that Dasin Retail Trust may seek against Dasin Management and Investment and Mr. Zhang Zhencheng for breach of the Shiqi Framework Agreement or the Shiqi Holdco Sale and Purchase Agreement (as the case may be).

As security for the due fulfilment of Mr. Zhang Zhencheng’s and Dasin Management and Investment’s compensation obligations under the Shiqi Framework Agreement, Dasin Management and Investment will provide 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), to the Trustee-Manager on the date the Shiqi Framework Agreement is entered into for the period from 1 July 2017 till 31 December 2017 (both dates inclusive). If the acquisition of Shiqi Metro Mall is not completed on or before 31 December 2017, Dasin Management and Investment undertakes to provide a banker’s guarantee of RMB 56.2 million to the Trustee-Manager by 31 December 2017 for the period from 1 January 2018 to 31 December 2018 (both dates inclusive). If the acquisition of Shiqi Metro Mall is not completed on or before 31 December 2018, then Singapore Holdco may terminate the Shiqi Framework Agreement as well as the Shiqi Holdco Sale and Purchase Agreement without liability on the part of Singapore Holdco.

**Acquisition Price**

It is stipulated in the Shiqi Framework Agreement that the purchase consideration under the abovementioned Shiqi Holdco Sale and Purchase Agreement for the acquisition of Shiqi Holdco will be approximately RMB 1,224.0 million which is arrived at on a willing-buyer and willing-seller basis based on the implied acquisition price of Shiqi Metro Mall of approximately RMB 1,224.0 million.

It is also provided in the Shiqi Framework Agreement that prior to execution of the Shiqi Holdco Sale and Purchase Agreements, two independent valuations of Shiqi Metro Mall will be undertaken. Both independent valuers will be appointed by the Trustee-Manager. If the average of the two independent valuations falls below RMB 1,224.0 million, the purchase consideration of Shiqi Holdco will be reduced to the average or lower than the average of the two independent valuations as mutually agreed between Mr. Zhang Zhencheng and Singapore Holdco less any bank borrowings and loans of Shiqi Holdco and/or its subsidiaries at the point of acquisition). There will not be any upward adjustment to the implied acquisition price of Shiqi Metro Mall of

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1 The implied acquisition price of Shiqi Metro Mall is based on the average of the two independent valuations of Shiqi Metro Mall as at 30 June 2016, and determined on a willing-seller and willing-buyer basis.
Termination

The Shiqi Framework Agreement provides that it can only be terminated by Singapore Holdco through rescission due to (i) material damage to Shiqi Metro Mall or (ii) material breach of the Shiqi Framework Agreement by Dasin Management and Investment or Mr. Zhang Zhencheng (including failure to meet any of the conditions precedent for the acquisition of Shiqi Metro Mall and the Shiqi Rental Management Company by the Target Shiqi Acquisition Date and failure to provide the banker’s guarantee within the stipulated timeframe) which is not remedied within 14 working days (or such other date as mutually agreed by the parties) after receipt of notification from Singapore Holdco.

If Mr. Zhang Zhencheng and/or Dasin Management and Investment fails to comply with the provisions of the Shiqi Framework Agreement, and/or Mr. Zhang Zhencheng fails to comply with the provisions of the Shiqi Holdco Sale and Purchase Agreement, Singapore Holdco shall be entitled to terminate the Shiqi Framework Agreement and/or the Shiqi Holdco Sale and Purchase Agreement respectively, by written notice if the defaulting party fails to remedy the breach within 14 days after receipt of notification of remedy from Singapore Holdco or such other dates as mutually agreed between the respective parties, and shall have the right to recover compensation from the defaulting party.

DOUMEN PURCHASE OPTION

On 27 December 2016, Dasin Management and Investment granted a purchase option to Singapore Holdco whereby Singapore Holdco has the option to acquire the Doumen Metro Mall Development Project. The Doumen Purchase Option shall be exercisable by Singapore Holdco from the Listing Date and shall expire upon the issuance of the completion certificate in respect of the Doumen Metro Mall Development Project by the relevant PRC authorities.

Upon the exercise of the Doumen Purchase Option, Singapore Holdco and Dasin Management and Investment (through their respective subsidiaries or special purpose vehicles) shall be entitled but not obliged to enter into a sale and purchase agreement for the acquisition of the project company that holds the Doumen Metro Mall Development Project at the acquisition price in accordance with the terms of the Doumen Purchase Option.

The acquisition price of the Doumen Metro Mall Development Project shall be determined by mutual agreement between both parties but shall not exceed the lower of the two independent valuations undertaken on an “as-is” basis at the time of the exercise of the Doumen Purchase Option. The quality and construction works of the Doumen Metro Mall Development Project at the relevant construction phase on hand-over must be satisfactory to the Trustee-Manager.

The sale and purchase agreement for the acquisition of the project company that holds the Doumen Metro Mall Development Project will be subject to, among others, the following conditions having been fulfilled:

- the licences, authorisations, orders, grants, confirmations, permissions, registrations, waivers, exemptions and other approvals necessary or desirable for or in respect of the development, construction and acquisition of the project company that holds the Doumen
Metro Mall Development Project having been obtained by Dasin Management and Investment from the appropriate governments, governmental, supranational or trade agencies, courts or other regulatory bodies on terms reasonably satisfactory to Singapore Holdco and such licences, authorisations, orders, grants, confirmations, permissions, registrations, waivers, exemptions and other approvals continuing to remain in full force and effect;

- the state-owned land planning permit, certificate of state land use right, planning permit and engineering construction permit of the Doumen Metro Mall Development Project having been obtained by Dasin Management and Investment and remaining in effect;

- there being no changes to the business, financial performance, financial conditions or operations of the Doumen Metro Mall Development Project since the date of the sale and purchase agreement that would in the reasonable opinion of Singapore Holdco, be likely to have an adverse effect on the turnover, profitability, financial position or prospects of the Doumen Metro Mall Development Project; and

- that the project company that holds the Doumen Metro Mall Development Project holds a good, marketable, legal and beneficial title to the Doumen Metro Mall Development Project free from all encumbrances.

PROPERTY MANAGEMENT AGREEMENTS

The Properties which comprise the Initial Portfolio of Dasin Retail Trust will be managed by the Property Manager in accordance with the terms of the existing Property Management Agreements.

The Property Management Agreements were entered into on 31 December 2015 (as supplemented) by the Property Manager and each of the Rental Management Companies and Zhongshan Yuanxin pursuant to which the Property Manager was appointed to provide property management services to the Properties, subject to the terms and conditions of the Property Management Agreements.

The initial term of the Property Management Agreement is three years, from 1 January 2016 to 31 December 2018. Within 30 days upon expiry of the initial term of the Property Management Agreements, the parties may negotiate for extension of the Property Management Agreements. Upon the expiry of the initial term of the Property Management Agreements, if the Rental Management Companies or Zhongshan Yuanxin (as the case may be) does not terminate their respective Property Management Agreement in writing, the relevant Property Management Agreement will be extended automatically for one year. The terms of the extension will be based on the existing terms and conditions (at the time of extension) of the Property Management Agreements.

Property Manager’s Services

The Property Manager provides property management services to the Properties, which will include the overall management of, maintenance and repair of the structure and utilities of the Properties, the formulation of mall operation and management regulations, the rectification of any defects of the Properties that violate building and safety regulations.

Fees

Pursuant to the Property Management Agreements, in respect of the property management services to be provided by the Property Manager for the Properties, it will be entitled to receive a property management fee of 1.0% of the monthly Gross Revenue of the relevant Property.
Reimbursable Expenses

In respect of each Property managed by the Property Manager, Dasin Retail Trust shall, through its subsidiaries, pay or, as the case may be, reimburse, the Property Manager in full, if such payment has been made by the Property Manager, the agreed property related expenses (including, but not limited to, employee related expenses (excluding any employee’s salary) paid to employees who are involved in the management of each Property, repair and maintenance expenses, utilities, property related taxes and other general administrative expenses) incurred, as approved in the annual business plan and budget for each Property.

Termination

Each of the Property Management Agreements may be terminated by reason of any of the following:

(a) by mutual agreement between the Property Manager and any of the Rental Management Companies or Zhongshan Yuanxin (as the case may be);

(b) unilateral termination by the Property Manager before the expiry of the term of the Property Management Agreements, subject to compensation by the Property Manager; and

(c) if the Property Manager fails to comply with the provisions of the Property Management Agreements, the Rental Management Companies or Zhongshan Yuanxin (as the case may be) may terminate the appointment of the Property Manager by written notice if it fails to remedy the breach and shall have the right to recover compensation from the Property Manager.

Exclusion of Liability

In the absence of fraud, negligence, default or breach of the Property Management Agreement by the Property Manager, it shall not incur any liability by reason of, amongst others, the following: (i) any force majeure event resulting in the disruption of the provision of the property management services; (ii) if any losses are incurred due to the inherent defects of the Property even though the Property Manager has fulfilled its obligations under the Property Management Agreement; and (iii) if any losses are incurred due to the failure of water, electricity, gas, heat, telecommunication and cable television supply, and is not caused by the Property Manager.

COMMERCIAL MANAGEMENT AGREEMENTS

The Properties which comprise the Initial Portfolio of Dasin Retail Trust will be marketed by the Commercial Manager in accordance with the terms of the existing Commercial Management Agreements.

The Commercial Management Agreements were entered into on 31 December 2015 (as supplemented) between the Commercial Manager and each of the Rental Management Companies and Zhongshan Yuanxin pursuant to which the Commercial Manager was appointed to carry out marketing and promotional services to the Properties, subject to the terms and conditions of the Commercial Management Agreements.

The initial term of the Commercial Management Agreements is three years, from 1 January 2016 to 31 December 2018. Within 30 days upon expiry of the initial term of the Commercial Management Agreements, each of the Rental Management Companies or Zhongshan Yuanxin is entitled to, at its absolute discretion, give written notice to the Commercial Manager to extend the appointment of the Commercial Manager for a further term of five years from the expiry of the initial term, on the same terms and conditions as are contained in the Commercial Management Agreement.
Agreements (unless otherwise mutually agreed by both parties), subject to the fulfilment of certain conditions precedent as may be specified by the Rental Management Companies or Zhongshan Yuanxin. Upon the expiry of the initial term of the Commercial Management Agreements, if the Rental Management Companies or Zhongshan Yuanxin (as the case may be) does not terminate their respective Commercial Management Agreement in writing, the relevant Commercial Management Agreement will be extended automatically for one year. The terms of the extension will be based on the existing terms and conditions (at the time of extension) of the Commercial Management Agreements.

Commercial Manager’s Services

The Commercial Manager will provide marketing and promotional services to the Properties, which will include the organising of promotional activities of the Properties, the analysis of the retail market, including an investigation on competitors and classification of target consumers, the drawing up of a detailed plan of advertising and promotion and the organising of interaction between the tenants and the owners of the Properties.

Fees

In respect of the marketing services to be provided by the Commercial Manager for the Properties, the Commercial Manager will be entitled to receive a commercial management fee of 1.0% of the monthly Gross Revenue of the relevant Property.

In addition, the Commercial Manager shall also be entitled to receive from the Rental Management Companies or Zhongshan Yuanxin, a one-time lease-up commission\(^1\) of two months of the rental income, in cash, for buildings undergoing major asset enhancement and/or renovation works.

Reimbursable Expenses

In respect of each Property marketed and promoted by the Commercial Manager, Dasin Retail Trust shall, through its subsidiaries, pay or, as the case may be, reimburse, the Commercial Manager in full, if such payment has been made by the Commercial Manager, the agreed marketing and promotion related expenses (including, but not limited to, employee related expenses (excluding any employee’s salary) paid to employees who are involved in the marketing and promotion of each Property and other general administrative expenses) incurred, as approved in the annual business plan and budget for each Property.

Termination

Each of the Commercial Management Agreements may be terminated by reason of any of the following:

(a) by mutual agreement between the Commercial Manager and any of the Rental Management Companies or Zhongshan Yuanxin (as the case may be);

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\(^1\) For the avoidance of doubt, no lease-up commission will be received if no commitment is received in respect of a unit in any newly completed building or building undergoing major asset enhancement and/or renovation works for a minimum lease of two years. The one-time lease-up commission is only applicable to newly completed buildings or buildings undergoing major addition and alteration works. The basis for the one-time lease-up commission is that for such buildings, the Commercial Manager would have to carry out the following: (i) work with the architects and other consultants on the layout of the retail outlets, and internal circulation as well as relevant amenities to be provided; (ii) conduct market surveys to understand the needs and wants of the shoppers; (iii) mapping out more positioning for the relevant mall based on results obtained in (ii); (iv) creating a leasing plan, including the budgeted rents/target returns for the owner; (v) conduct major leasing exercises to market and negotiate with the prospective tenants; and (vi) to follow up with the relevant lease administrative duties.
(b) unilateral termination by the Commercial Manager before the expiry of the term of the Commercial Management Agreements, subject to compensation by the Commercial Manager; and

(c) if the Commercial Manager fails to comply with the provisions of the Commercial Management Agreements, the Rental Management Companies or Zhongshan Yuanxin (as the case may be) may terminate the appointment of the Commercial Manager by written notice if it fails to remedy the breach and shall have the right to recover compensation from the Commercial Manager.

Exclusion of Liability

In the absence of fraud, negligence, default or breach of the Commercial Management Agreement by the Commercial Manager, it shall not incur any liability by reason of, amongst others, the following: (i) any force majeure event resulting in the disruption of the provision of the commercial management services; and (ii) if any losses are incurred due to the inherent defects of the Property even though the Commercial Manager has fulfilled its obligations under the Commercial Management Agreement.

DASIN LICENCE AGREEMENT

Pursuant to a licence agreement entered into between the Sponsor and the Trustee-Manager on 27 December 2016 (the “Dasin Licence Agreement”), in consideration for the payment of a nominal sum of S$1.00, the Sponsor has granted a non-exclusive and non-transferable licence to the Trustee-Manager, in its capacity as the trustee-manager of Dasin Retail Trust, to use the “Dasin” name and any additional trade mark(s) which may be agreed to by the parties in writing from time to time for use in connection with the business of Dasin Retail Trust.

The Dasin Licence Agreement became effective from 27 December 2016 and may be terminated by the Sponsor by giving no less than three months’ notice in writing to the Trustee-Manager at any time at its discretion. The Sponsor may also terminate the agreement immediately by giving notice in writing to the Trustee-Manager in the event that the Trustee-Manager or any of its related corporations ceases to be the trustee-manager of Dasin Retail Trust, or in the event the Trustee-Manager ceases to own any direct or indirect interest in the business of Dasin Retail Trust.

Under the Dasin Licence Agreement, the Trustee-Manager as licensee shall use all reasonable efforts at all times during the term of the Dasin Licence Agreement to protect and promote goodwill in the trade marks.

The Sponsor is liable for and will indemnify the Trustee-Manager against any liability incurred by the Trustee-Manager and Dasin Retail Trust in relation to the Trustee-Manager’s performance of its obligations under the Dasin Licence Agreement. The Sponsor is also liable for and will indemnify the Trustee-Manager and Dasin Retail Trust against any claim for infringement of trade marks under the Dasin Licence Agreement as well as any reputational damage or other damages suffered by the Trustee-Manager or Dasin Retail Trust in relation to any professionals (including advisors and business consultants) engaged by the Sponsor (or its subsidiaries) in connection with the Listing.

XIAOLAN MASTER LEASE AGREEMENT

On 26 December 2016, Xiaolan Xinduhui (the “Xiaolan Master Lessor”) entered into the Xiaolan Master Lease Agreement (as amended and supplemented) with Dasin Merchant Investment (the “Xiaolan Master Lessee”), which is wholly-owned by the Zhang Vendors through Dasin
Management and Investment, pursuant to which the first floor and third floor of Xiaolan Metro Mall will be leased to the Xiaolan Master Lessee in accordance with the terms and conditions of the Xiaolan Master Lease Agreement.

The principal terms of the Xiaolan Master Lease Agreement include, among others, the following:

- the master lease is for a term of 10 years, commencing from 26 September 2017, (the “Initial Lease Term”), with an option to renew, provided the Xiaolan Master Lessee gives notice to renew not less than three months prior to expiry of the Initial Lease Term. Upon notice to renew being given, both the Xiaolan Master Lessee and Xiaolan Master Lessor will negotiate the terms of renewal;

- the rent payable (including management fees) by the Xiaolan Master Lessee comprises the following:
  
a. an initial monthly rent of approximately RMB 0.7 million for the first three months commencing 26 September 2017 up till the end of 2017;

b. a monthly rent of approximately RMB 1.8 million for the period from 1 January 2018 to 31 December 2018; and

c. an annual rental escalation of 5.0% over the rent payable from 2019 onwards;

- the Xiaolan Master Lessee will pay a security deposit of RMB 21.0 million (equivalent to 12 months of rental in 2018) to the Xiaolan Master Lessor within 14 days from 26 December 2016;

- the Xiaolan Master Lessee may install any equipment and/or facility as necessary for its operational needs at its own cost, provided that the Xiaolan Master Lessee be responsible for the maintenance of such equipment and/or facility;

- the Xiaolan Master Lessee may conduct alterations to the structure and facilities of the leased property, provided that the written approval of the Xiaolan Master Lessor is obtained and provided that the Xiaolan Master Lessee shall be liable for the capital expenditure of such alterations;

- during the duration of the Xiaolan Master Lease Agreement, the Xiaolan Master Lessee is responsible for its own utilities expenses;

- except as required by law, the Xiaolan Master Lessor is responsible for any breakdown of the provided facilities, including central air-conditioning, fire alarm system, escalator and cargo lift, and the Xiaolan Master Lessor shall be responsible for any compensation arising from bodily injury or property damage;

- the Xiaolan Master Lessee shall be responsible for the cost of repair of any damage to the facilities provided by the Xiaolan Master Lessor caused by its own misuse;

- if, due to the fault of the Xiaolan Master Lessor, the Xiaolan Master Lessee is unable to continue its operations at the leased property for a period of more than three months, the Xiaolan Master Lessee may terminate the Xiaolan Master Lease Agreement by giving written notice to the Xiaolan Master Lessor;
• the Xiaolan Master Lease Agreement may be terminated by mutual agreement if the government requires the property to be demolished, and the Xiaolan Master Lessor is unable to locate an alternate lease that is at least on similar terms and which is acceptable to the Xiaolan Master Lessee;

• in the event that the Xiaolan Master Lessee breaches any of the terms of the Xiaolan Master Lease Agreement and, despite receiving a notice to rectify from the Xiaolan Master Lessor, refuses to rectify the breach, the Xiaolan Master Lessor can terminate the Xiaolan Master Lease Agreement;

• the Xiaolan Master Lessor can terminate the Xiaolan Master Lease Agreement if the Xiaolan Master Lessee fails to pay rent for more than 30 days; and

• any party that terminates the Xiaolan Master Lease Agreement shall, except as otherwise agreed amongst the parties, bear all losses incurred by the other party or an amount not less than six months of rental, whichever is higher.

DASIN E-COLOUR MASTER LEASE AGREEMENTS

On 1 March 2016, Yicai Xinduhui entered into the Dasin E-Colour Master Lease Agreements (as amended and supplemented) with Dasin Merchant Investment, which is wholly-owned by the Zhang Vendors through Dasin Management and Investment, for (i) certain retail units on the fourth floor of Dasin E-Colour (with an aggregate NLA of 767.0 sq m), (ii) the entire seventh floor of Dasin E-Colour (with an aggregate NLA of 2,470.0 sq m) and (iii) certain retail units on the eighth and ninth floors of Dasin E-Colour (with an aggregate NLA of 1,356.0 sq m), which collectively constitute the Dasin E-Colour Master Lease Agreements (with an aggregate NLA of 4,593.0 sq m). The monthly rents payable by Dasin Merchant Investment pursuant to:

(a) the lease agreement for the retail units on the fourth floor of Dasin E-Colour is RMB 47,938 for the first year, RMB 55,128 for the second year and RMB 63,278 for the third year;

(b) the lease agreement for the entire seventh floor of Dasin E-Colour is RMB 134,086.0 for the first year, RMB 150,176.0 for the second year and RMB 168,313.0 for the third year; and

(c) the lease agreement for the retail units on the eighth and ninth floors of Dasin E-Colour is RMB 67,800.0 for the first year, RMB 77,970.0 for the second year and RMB 89,496.0 for the third year;

The principal terms of each of the Dasin E-Colour Master Lease Agreements include, among others, the following:

• the leases are for a term of three years, commencing from 2 March 2016 to 1 March 2019, with a rent-free period from 2 March 2016 to 30 April 2016;

• Dasin Merchant Investment will pay a security deposit of RMB 3.3 million (equivalent to 12 months of rental in 2017) to the Yicai Xinduhui within 14 days from 26 December 2016;

• during the duration of the Dasin E-Colour Master Lease Agreements, any sub-letting, any alteration to the structure and facilities of the leased property, any amendment to or early termination of the Dasin E-Colour Master Lease Agreements and any extension of the terms of the Dasin E-Colour Master Lease Agreements is subject to negotiation and agreement between Dasin Merchant Investment and Yicai Xinduhui;
• Dasin Merchant Investment may install any equipment and/or facility as necessary for its operational needs at its own cost, provided that Dasin Merchant Investment be responsible for the maintenance of such equipment and/or facility;

• Dasin Merchant Investment may conduct alterations to the structure and facilities of the leased property, provided that the written approval of Yicai Xinduhui is obtained and provided that the Dasin Merchant Investment shall be liable for the capital expenditure of such alterations;

• Yicai Xinduhui will be responsible for the maintenance and safety checks of the leased property and the common areas surrounding the leased property, with reasonable assistance from Dasin Merchant Investment. Yicai Xinduhui shall be responsible for any compensation arising from damages caused by the lack of such maintenance and safety checks;

• Dasin Merchant Investment shall be responsible for the cost of repair and any damages to third parties caused by misuse of the leased property, provided that such misuse is not caused by Yicai Xinduhui or the third parties;

• in the event of a breach of the respective Dasin E-Colour Master Lease Agreements by any of Yicai Xinduhui or Dasin Merchant Investment, other than due to force majeure events, the party in breach is obliged to pay damages to the non-breaching party;

• Yicai Xinduhui may terminate the relevant Dasin E-Colour Master Lease Agreement if Dasin Merchant and Investment fails to pay rent for more than 30 days; and

• if any of Yicai Xinduhui or Dasin Merchant Investment is unable to fulfil its obligations under the Dasin E-Colour Master Lease Agreements due to force majeure events, both parties do not assume any responsibility and may terminate the relevant Dasin E-Colour Master Lease Agreements or amend the relevant clauses of the relevant Dasin E-Colour Master Lease Agreements.

**UNDERTAKINGS IN RELATION TO THE MASTER LEASE AGREEMENTS**

The Master Lessee will:

(a) immediately inform the Trustee-Manager of any matter that has a material adverse effect on its ability to fulfil its obligations under the Xiaolan Master Lease Agreement and/or the Dasin E-Colour Master Lease Agreements; and

(b) not unilaterally novate or assign the Xiaolan Master Lease Agreement and/or the Dasin E-Colour Master Lease Agreements to any other party and will inform the Trustee-Manager of any changes to the Xiaolan Master Lease Agreement and/or the Dasin E-Colour Master Lease Agreements.

The Trustee-Manager has undertaken to the SGX-ST that it will:

(a) provide updates in Dasin Retail Trust's annual report on the status of the Master Lease Agreements (for as long as they are in place), including whether the assumptions originally projected in the Prospectus (such as the rental amount) have been achieved or provide an explanation otherwise;

(b) if the security deposits provided under the Master Lease Agreements are by way of banker’s guarantee, performance bond and/or escrow arrangement, where there are changes to the financial and credit standing of the financial institution(s) or a change in the financial institution(s) providing a banker’s guarantee, performance bond and/or escrow arrangement
on behalf of Dasin Merchant Investment for the security deposits, satisfy itself (on an annual basis) that the standing of such financial institution(s) have not diminished as a result of these change(s);

(c) announce the impending expiry of the Master Lease Agreements at least a year prior to their respective expiries;

(d) provide information on the status of the Master Lease Agreements in Dasin Retail Trust’s full year financial results and annual reports (including (i) the durations remaining on each of the Master Lease Agreements and the amount of rents receivable for such remaining durations, and (ii) if the security deposits provided under the Master Lease Agreements are by way of banker’s guarantee, performance bond and/or escrow arrangement, where relevant (based on publicly available information), the financial standing of the financial institution(s) providing the banker’s guarantee, performance bond and/or escrow arrangement on behalf of Dasin Merchant Investment for the security deposits); and

(e) make an immediate announcement of any premature termination of any of the Master Lease Agreements,

(collectively, the “Master Lease Undertakings”).
OVERVIEW OF RELEVANT LAWS AND REGULATIONS IN PRC

(A) Property Development Enterprise and Foreign Investment Laws

Establishment of a Property Development Enterprise

(a) Company Law

The establishment, operation, and management of corporate entities in China are governed by the Company Law, which was promulgated by the Standing Committee of the National People's Congress (全国人大常委会) (the "SCNPC") on 29 December 1993, and came into effect on 1 July 1994. The Company Law was subsequently amended on 25 December 1999, 28 August 2004, 27 October 2005 and 28 December 2013. The amendments of the Company Law on 28 December 2013 came into effect on 1 March 2014. According to the Company Law, companies established in PRC are either limited liability companies or joint stock limited liability companies. The Company Law applies to both PRC domestic companies and foreign-invested companies. However, where the Company Law is silent on matters related to foreign invested companies, such matters may be addressed by other PRC laws and regulations.

(b) Establishment of a Property Development Enterprise

According to the "PRC Urban Real Estate Administration Law" (the "Urban Real Estate Law") promulgated by the SCNPC on 5 July 1994, effective in January 1995 and amended on 30 August 2007 and 27 August 2009, a property developer is defined as an enterprise which engages in the development and sale of properties for the purpose of making profits. Under the "Regulations on Administration of Development of Urban Property" (the "Development Regulations") promulgated and implemented by the State Council on 20 July 1998 and amended on 8 January 2011, a property developer shall satisfy the following requirements: (i) its registered capital should be RMB 1.0 million or more; and (ii) it should have four or more full-time professional property/construction technicians and two or more full-time accounting officers, each of whom should hold relevant qualification certificates.

Pursuant to the Development Regulations, a property developer who aims to establish a property development enterprise must register with the Administration for Industry and Commerce. The property developer must also report its establishment to the property development authority in the location of the registration authority within 30 days of the receipt of its business licence.

Under the "Notice on Adjusting the Portion of Capital Fund for Fixed Assets Investment" issued by the State Council on 25 May 2009, the minimum portion of capital funding for indemnificatory housing projects and ordinary commercial housing projects is 20.0% and the minimum portion of capital funding for other real estate development projects is 30.0%.

(c) Qualifications of a Property Developer

Under the Development Regulations, a property developer must record its establishment to the governing property development authorities in the location of the registration authority within 30 days after receiving its Business Licence. The property development authorities examine applications for the classification of a property
developer’s qualification by considering its assets, professional personnel and industrial achievements. A property enterprise should only engage in property development projects in compliance with its approved qualification.

Under the “Provisions on Administration of Qualification of Real Estate Development Enterprise” (the “Provisions on Administration of Qualification”) promulgated by the MOHURD and implemented on 29 March 2000 and 4 May 2015, a property developer shall apply for registration of its qualification according to such Provisions on Administration of Qualification. An enterprise may not engage in the development and sale of a property without a qualification classification certificate for property development.

In accordance with the Provisions on Administration of Qualification, qualification of a property enterprise is classified into four classes: class 1, class 2, class 3 and class 4. Different classes of qualification should be examined and approved by corresponding authorities. Class 1 qualification should be subject to preliminary examination by the construction authority under the government of the relevant province, autonomous region or municipality directly under the central government and then final approval of the construction authority under the State Council. Procedures for approval of developers of class 2 or lower qualification should be formulated by the construction authority under the people’s government of the relevant province, autonomous region or municipality directly under the central government. A developer that passes the qualification examination will be issued a qualification certificate of the relevant class by the qualification examination authority. For a newly established property developer, after it reports its establishment to the property development authority, the latter must issue a Provisional Qualification Certificate to the eligible developer within 30 days. The Provisional Qualification Certificate will be effective for one year from its issuance while the property development authority may extend the validity to a period of no longer than two years considering the actual business situation of the enterprise. The property developer should apply for qualification classification from the property development authority within one month before the expiry of the Provisional Qualification Certificate.

Foreign-invested Property Enterprises

(a) The Wholly Foreign-owned Enterprise Law and the Joint Venture Law

The establishment procedures, approval procedures, registered capital requirements, foreign exchange matters, accounting practices, taxation and labour matters of wholly foreign-owned enterprises and equity joint venture enterprises are regulated by the WOFE Law and the “Equity Joint Venture Law of PRC” (the “JV Law”) respectively. The WFOE Law, which was promulgated by the SCNPC on 12 April 1986, and amended on 3 September 2016, is supplemented by the “Implementation Regulation of the Wholly Foreign-owned Enterprise Law” (《中华人民共和国外资企业法实施细则》), which was promulgated on 12 December 1990, and amended on 12 April 2001 and 19 February 2014. The JV Law, which was promulgated by the National People’s Congress in July 1979 and amended on 4 April 1990, 15 March 2001 and 3 September 2016, is supplemented by the “Implementation Regulations on the Equity Joint Venture Law of PRC” (《中华人民共和国中外合资经营企业法实施细则》), which was promulgated by the State Council on 20 September 1983, and amended on 15 January 1986, 21 December 1987, 22 July 2001, 8 January 2011 and 19 February 2014.
(b) **Relevant Regulations with Respect to the Foreign Investment**

According to the “Administrative Measures for the Government Confirmation of Investment Projects” 《政府核准投资项目管理办法》 issued by the NDRC on 14 May 2014, the “Catalogue of Investment Projects Subject to Government Confirmation” 《政府核准的投资项目目录》 (the “Catalogue”) issued by the State Council on 31 October 2014 shall apply in determining the types of investment projects undertaken by foreign-invested enterprises that shall be subject to the confirmation of the relevant authorities.

According to the “Notice of the State Council on Issuing the Catalogue of Investment Projects Subject to Government Confirmation (2014)” 《国务院关于发布政府核准的投资项目目录(2014年本)的通知》 (the “Notice on Catalogue”) issued by State Council on 31 October 2014, foreign-invested enterprises investing in the construction of any of the fixed-asset investment projects listed in the Catalogue must report their investment in the relevant project(s) to the relevant authorities for confirmation. Where foreign-invested enterprises invest in construction projects not listed in the Catalogue, the foreign-invested enterprises shall notify the relevant authorities of their involvement in such projects for record purposes.

On 6 April 2010, the State Council promulgated the “Opinions on Further Facilitating the Utilisation of Foreign Investment” 《关于进一步做好利用外资工作的若干意见》 (the “Opinions on Further Facilitating”). According to the Opinions on Further Facilitating, encouraged or permitted projects as provided in the Foreign Investment Industrial Guidance Catalogue with total investments (including capital increase) of less than US$300.0 million are to be approved by the competent local governments, except for those to be approved by the competent department of the State Council as provided by the 2014 Verification and Approval Catalogue.

Pursuant to the “Administrative Measures for Outbound Investment” 《境外投资管理办法》，which was promulgated by the MOFCOM on 6 September 2014 and became effective as of 6 October 2014, the MOFCOM and the provincial departments in charge of commerce shall conduct record filing and verification management according to different circumstances of outbound investment of an enterprise. Where the outbound investment carried out by an enterprise involves sensitive countries and regions and sensitive industries, verification management shall be implemented. Record filing management shall be implemented for other circumstances of outbound investment of an enterprise.

(c) **Relevant Regulations with Respect to the Foreign-invested Property Enterprises**

**General Foreign Investment Policy**

Pursuant to the “Foreign Investment Industrial Guidance Catalogue” 《外商投资产业指导目录》 (the “Guidance Catalogue”) jointly enacted by the MOFCOM and the NDRC on 30 November 2004, which was amended in 2007, 2011 and 2015, with such amendments becoming effective as of 10 April 2015, property development falls within the category of permitted industries for foreign investment.
Foreign Investment in Real Estate Market

On 11 July 2006, the Ministry of Construction of PRC (the “MOC”), the MOFCOM, the NDRC, the PBOC, the SAIC and the SAFE jointly enacted the “Circular Concerning the Access to and Administration of Foreign Investment in the Real Estate Market”. According to this circular, and related notices issued by the MOFCOM on 14 August 2006 and 19 August 2015, foreign investment in the real property market must comply with the following requirements:

a. Foreign institutions or individuals purchasing property in PRC that is not for their own use must have a legal presence in PRC and must apply for the establishment of a foreign-invested enterprise under applicable foreign property investment regulations. Foreign institutions and individuals may only engage in the relevant business within the approved business scope upon obtaining approvals from the relevant national authorities and upon completion of the relevant registrations.

b. If the total investment of a foreign-invested real estate development enterprise exceeds US$30.0 million, the registered capital must not be less than one-third of the total investment, save that if the total investment is less than US$36.0 million, the registered capital must not be less than US$12.0 million. If the total investment is equal to or less than US$30.0 million but exceeds US$10.0 million, the registered capital must not be less than 40.0% of the total investment, save that if the total investment is less than US$12.5 million, the registered capital must not be less than US$5.0 million. If the total investment is equal to or less than US$10.0 million but exceeds US$3.0 million, the registered capital must not be less than 50.0% of the total investment, save that if the total investment is less than US$4.2 million, the registered capital must not be less than US$2.1 million. The registered capital must not be less than 70.0% of the total investment when the total investment is equal to or less than US$3.0 million.

c. Foreign investors must obtain approval certificates for the establishment of foreign-invested enterprises from the MOFCOM or its relevant local branch and business licences for the establishment and registration of foreign-invested enterprises from the State Administration of Industry and Commerce or its relevant local branch.

d. In order to obtain approval from the MOFCOM or its relevant local branch for the transfer of projects or shares in foreign-invested real estate enterprises, or an acquisition of domestic real estate enterprises by foreign investors, foreign investors must strictly adhere to the relevant laws, regulations and policies for submitting relevant applications.

When acquiring domestic real estate enterprises by way of share transfer or otherwise, or purchasing shares from PRC parties in Sino-foreign equity joint ventures, foreign investors must comply with the relevant PRC employment laws, settle bank loans and pay acquisition consideration in a single payment using only internal funds. Foreign investors with an irregular financial track record are not allowed to conduct any of the above activities.

The MOFCOM and the SAFE jointly issued a “Notice on Further Strengthening and Regulating the Approval and Administration regarding Foreign Direct Investment in the Real Estate Industry” (the “No. 50 Notice”) on 23 May 2007. Under the No. 50 Notice, local commercial authorities should reinforce the approval and supervision process over foreign-invested...
real estate enterprises, and strictly regulate foreign funds from investing in high-end real estate development projects. In order to incorporate a foreign-invested real property company, the land use right and/or building ownership should have been obtained in advance, or at least a pre-transfer/purchase contract has to be entered into with the relevant land administrative authorities, land developers, or the owner of the building or other constructions. Otherwise, the proposed incorporation of foreign-invested real estate company will not be approved by the authorities.

According to the “Notice of Issuing First Batch of Foreign-Invested Real Estate Development Projects Completing Recording with the MOFCOM” issued by the SAFE on 10 July 2007 (the “Notice of First Batch”), in respect of foreign-invested real estate enterprises (including new set-up and capital increase) obtaining approval certificates from the MOFCOM and having entered into record with the MOFCOM on and after 1 June 2007, all SAFE branches shall not handle foreign debt registration and foreign debt conversion matters with such companies. Such companies are prohibited from borrowing money abroad that are denominated in foreign currency, including shareholder loans and offshore commercial loans. However, such restriction does not apply to the remaining quantum of foreign loans which had not been utilised by such companies which were established prior to 1 June 2007. Besides, all SAFE branches shall not handle foreign exchange registration (or change of registration) and capital conversion matters with foreign-invested real estate companies obtaining approval certificate from the provincial branches of the MOFCOM on and after 1 June 2007 but failing to enter into record with the MOFCOM. While the Notice of First Batch was abolished in accordance with the “Notice on Promulgating the Foreign Exchange Administration Rules on Foreign Direct Investment in PRC and other Supporting Documents” issued by the SAFE on 11 May 2013, the foregoing restrictions of foreign debts on foreign-invested real estate companies are still applicable in accordance with the “Operation Guideline of Capital Accounts Matters (2013 Version)” issued by the Comprehensive Department of the SAFE and effective from 1 September 2013.

According to the “Notice of the MOFCOM on Implementing Recording Work of Foreign Investment in Real Estate Sector” issued by the MOFCOM on 1 July 2008, and the “Circular of the MOFCOM and the SAFE on Improving the Recording Work of Foreign Investment in Real Estate Sector” issued by the MOFCOM on 1 August 2014, registration applications of foreign-invested real estate enterprises are required to be preliminarily examined by the provincial branch of the MOFCOM before submission to the MOFCOM for registration. After registration, the MOFCOM may, during each quarter, randomly check on the registered foreign-invested real estate enterprise, and, at the end of each quarter, randomly re-check on such registered foreign-invested real estate enterprise, for compliance with existing regulations.

According to the “Circular of the SAFE on Reforming Administration Method for Foreign Exchange Settlement of Foreign-invested Enterprises” issued by the SAFE on 1 June 2015, except for foreign-invested real estate enterprises, foreign exchange capital and RMB converted from the same shall not be used by foreign-invested enterprises to purchase non-self use real property in the PRC.
In November 2010, the Administrative Office of the MOFCOM promulgated the “Notice on Strengthening Administration of the Approval and Recording of Foreign Investment into Real Estate Industry” 《关于加强外商投资房地产审批备案管理的通知》, in which it was emphasised that speculative investments shall be restrained, and a foreign-invested real property company shall, among other things, be prohibited from purchasing and selling real estate properties that are completed or still under construction within the PRC for arbitrage purposes.

Under the “Catalogue for the Guidance of Foreign Investment Industries (2015 version)” 《外商投资产业指导目录 (2015年修订)》 promulgated by the MOFCOM and the NDRC on 10 March 2015, the construction and operation of golf courses and villas fall within the category of industries in which foreign investment is prohibited.

According to the “Circular of the SAFE on Further Simplifying and Improving the Foreign Exchange Administration Policies of Foreign Direct Investment” 《国家外汇管理局关于进一步简化和改进直接投资外汇管理政策的通知》 issued on 13 February 2015 and effective from 1 June 2015, the SAFE will revoke the registration requirements by its local counterparts in relation to inbound and outbound investment. Alternatively, some qualified local banks will be authorised and supervised by the SAFE and its local counterparts to carry out foreign exchange registrations from 1 June 2015.

Furthermore, according to the “Notice of the SAFE on Issuing the Provisions of the Foreign Exchange Administration of Cross-border Guarantees” 《国家外汇管理局关于发布<跨境担保外汇管理规定>的通知》 issued on 12 May 2014 and effective from 1 June 2014, cross border guarantees (if any) shall be registered with the local branches of the SAFE, failing which penalties may be imposed under PRC laws and regulations. According to the “Notice on Implementing Concentration Registration Administration of Onshore-security for Off-shore Lending by Some Non-bank Institutions” 《关于对部分非银行机构内保外贷业务实行集中登记管理的通知》 issued on 10 March 2015, the onshore security provider is allowed to apply to the SAFE for an exemption from the prohibition against granting further security where the security provider has paid off the debt on behalf of the secured borrower but could not be paid back.

(B) Acquisition of Land and Development of a Construction Project

Acquisition of Land

Under the “Provisional Regulations of the People’s Republic of China on the Grant and Transfer of the Land-Use Rights of State-owned Urban Land” 《中华人民共和国城镇国有土地使用权出让和转让暂行条例》 (the “Provisional Regulations on Grant and Transfer”) promulgated by the State Council on 19 May 1990, a system for the assignment of the right to use State-owned land is adopted. A land user shall pay an assignment price to the State as consideration for the right to use a land site within a certain term, and the land user may transfer, lease out, mortgage or otherwise commercially exploit the land use rights within the term of use. Under the “Law of the People’s Republic of China on the Administration of Urban Property” 《中华人民共和国城市房地产管理法》 (the “Urban Property Law”) promulgated by the Standing Committee of the National People’s Congress, effective on 1 January 1995 and amended on 30 August 2007 and 27 August 2009, and the Provisional Regulations on Grant and Transfer, the land administration authority under the local government of the relevant city or county shall enter into a land grant contract with the land user to provide for the assignment of land use rights. The land user shall pay the assignment price as provided in the land grant contract. After full payment of the assignment price, the land user shall register with the land administration authority and obtain a land use right certificate which evidences the acquisition of land use rights.
According to the “Regulations on the Grant of State-owned Land Use Rights through Competitive Bidding, Public Auction and Public Tender” which was passed by the Ministry of Land and Resources of PRC (the “MLR”) on 3 April 2002 and amended on 21 September 2007 and effective from 1 November 2007, grant of lands for operational use (including industrial, commercial, tourism, entertainment and commodity housing development) or a plot of land with two or more prospective purchasers shall be subject to competitive bidding, public auction or public tender.

Under public auction, the buyer that offers the highest price is the winner. Under public tender, the tenderer who best meets the comprehensive evaluation standard, or the tender meeting the material requirement of the tender and offering the highest price is the winner. Under competitive bidding, the buyer who offers the highest price is the winner, and if there is more than one buyer offering the same price, the buyer first offering that price shall be the winner. The winner will sign the land use right grant contract with the competent land authority.

Upon signing of the land use right grant contract for the grant of land use right, the grantee is required to pay the land grant premium in accordance with the terms of the land use right grant contract. Once the land grant premium is paid in full, the grantee may apply for issuance of a Land Use Right Certificate from the land authority evidencing the grant of land use right.

The “Measures on the Administration of Reserved Land”, promulgated by the MOF, the PBOC and the MLR on 19 November 2007, define “reserved land” and stipulate the administrative, regulatory and implementing procedures involved with the management, planning, allocation, use, development, capital expenditure and supply of reserved land. Moreover, the measures make it clear that land must be reserved in accordance with corresponding land programmes or plans, and that in determining land reserves priority must be given to land included in state inventories which is unused, unoccupied or under-utilised.

In November 2009, the MOF, the MLR, the PBOC, the Ministry of Supervision of PRC (中华人民共和国监察部) and the National Audit Office of PRC (中华人民共和国审计署) jointly promulgated the “Notice on Further Enhancing the Revenue and Expenditure Control over Land Grants” The Notice raises the minimum down-payment for land premiums to 50.0% and requires the land premium to be fully paid within one year after the signing of a land grant contract, subject to limited exceptions. Any property owner defaulting on any such payment may not participate in any new transactions of land grant.

Development of a Construction Project

(a) Commencement of Development and Idle Land

According to the “Administrative Measures for the Government Confirmation of Investment Projects” issued by the NDRC on 14 May 2014, the Catalogue issued by the State Council on 31 October 2014 shall apply in determining the types of investment projects undertaken by foreign-invested enterprises that shall be subject to the confirmation of the relevant authorities.

According to the Notice on Catalogue, foreign-invested enterprises investing in the construction of any of the fixed-asset investment projects listed in the Catalogue must report their investment in the relevant project(s) to the relevant authorities for
confirmation. Where foreign-invested enterprises invest in construction projects not listed in the Catalogue, the foreign-invested enterprises shall notify the relevant authorities of their involvement in such projects for record purposes.

Under the Urban Property Law, those who have obtained the land use rights by assignment must develop the land in accordance with the use and period of commencement as prescribed under the land grant contract. According to the “Measures on Disposing Idle Land” promulgated by the MLR on 28 April 1999 and amended on 22 May 2012, a parcel of land can be classified as idle land under any of the following circumstances:

(i) development and construction of the state-owned land has not commenced within one year after the time limit prescribed in the land use rights contract of allocation decision; or

(ii) the development and construction of the state-owned idle land has commenced but the area on which development and construction has commenced is less than one-third of the total area to be developed and constructed, or the invested amount is less than 25.0% of the total amount of investment, and the development and construction has been continuously suspended for one year or more without approval.

On 3 January 2008, the State Council issued the “Notice on Promoting the Saving and Intensification of Use of Land (Guo Fa [2008] No. 3)” on land conservation and improving the efficiency of land use, for the purpose of better protecting arable land. The circular called on relevant government agencies to map out large-scale “scientific infrastructure” programmes, tighten land use approval in both rural and urban areas and step up land market monitoring. The circular prescribed that, if land approved for development remains unused for more than two years, it should be recovered by the government according to laws and regulations. If the land remains idle for more than one year and less than two years, land developers will pay 20.0% of the grant or appropriation price as the idle fee. More than 70.0% of the land used for construction of urban housing should be designated for residential purposes for low-rent units, affordable housing, price-limited housing and smaller units of less than 90.0 sq m. The circular also stipulates that lending and financing services will not be provided for illegally-used land.

Moreover, financial institutions should be very prudent when they provide loans and/or when they examine financing for real estate projects that exceed one year from the start date listed in the land use right granting contract, for which less than one-third of the development area has been completed, or for which less than one-quarter of the investment has been made.

(b) Planning of a Construction Project

According to the “Measures for Planning Administration of the Grant and Transfer of the Right to Use Urban State-owned Land”, promulgated by the MOC on 4 December 1992 and amended on 31 December 2010, after signing the land grant contract, a property owner shall apply for a project survey and a Construction Land Planning Permit from the city planning authority. After obtaining a Construction Land Planning Permit, a property owner shall organise the necessary planning and design work in accordance with planning and design requirements, and apply for a Construction Works Planning Permit from the city planning authority.
The “Urban and Rural Planning Law of PRC” 《中华人民共和国城乡规划法》，promulgated by the SCNPC in October 2007 which became effective in January 2008 and amended on 24 April 2015, provides regulations with respect to the formulation, implementation, modification, control, supervision and related legal liability of measures aimed at curbing problems that may arise as a result of conflicts between city and rural construction developments. The scope of the measures includes the planning, layout and construction of cities, towns with administrative status, market towns and villages. In order to effectively prevent construction that is in breach of rules and regulations, the Urban and Rural Planning Law stipulates that where any construction project commences without obtaining Construction Works Planning Permit, or where Construction Works Planning Permit has been obtained but construction has not proceeded in accordance with that permit, the Urban and Rural Planning Department at the county level or above may issue an order to cease construction. In the case that the construction can be remedied to conform to the relevant planning rules, an order can be made to rectify the construction in a prescribed period of time and a fine totalling between 5.0% to 10.0% of the total construction cost may be imposed. Where the construction cannot conform to relevant planning rules, an order for its demolition will be issued or, where demolition is not possible, the property and/or illegal income derived from the property will be confiscated and a fine totalling 10.0% or less of the construction cost will be imposed.

(c) Project Construction

According to the “Measures for the Administration of Construction Permits for Construction Projects” 《建筑工程施工许可管理办法》 promulgated by the MOC on 25 June 2014 and implemented on 25 October 2014, a developer engaging in the construction and decoration of various kind of houses and buildings as well as the ancillary facilities shall apply for a Construction Works Commencement Permit (建筑工程施工许可证) from the competent construction administration authorities at county level or above where the construction is located before the commencement of the construction. The “Notice Regarding the Strengthening and Regulation of the Management of New Projects” 《关于加强和规范新开工项目管理的通知》，promulgated by the General Office of the State Council on 17 November 2007, strictly regulates the conditions for commencing investment projects, establishes a mechanism for the coordination of government departments regarding new projects, and strengthens the statistics and information management while intensifying the supervision and inspection of new projects.

(d) Completion of a Construction Project

According to the Development Regulations and the “Regulation on the Quality Management of Construction Projects” 《建设工程质量管理条例》 promulgated by State Council on 30 January 2000, the “Interim Measures for Reporting Details Regarding Acceptance Examination Upon Completion of Buildings and Municipal Infrastructure” 《房屋建筑工程和市政基础设施工程竣工验收备案管理暂行办法》 promulgated by the MOC on 7 April 2000 and amended by the MOHURD on 19 October 2009 to rename the measures as “Measures for Reporting Details Regarding Acceptance Examination Upon Completion of Buildings and Municipal Infrastructure” 《房屋建筑工程和市政基础设施工程竣工验收备案管理办法》，as well as the “Provisions on Acceptance Examination Upon Completion of Buildings and Municipal Infrastructure Projects” 《房屋建筑工程和市政基础设施工程竣工验收规定》 promulgated by the MOC on 2 December 2013, after the completion of construction works of a construction project, the owner of this construction project shall organise an acceptance inspection and after passing the inspection, the owner of this construction project shall file the relevant project completion documents with the relevant governmental authorities upon such
completion of acceptance inspection. A real estate development project may only be delivered to the buyer after passing the necessary inspection and acceptance, and may not be delivered before the necessary inspection and acceptance is conducted or without passing such an inspection and acceptance. For a housing estate or other building complex project, an inspection and acceptance shall be conducted upon completion of the whole project and where such a project is developed in phases, inspection and acceptance may be carried out for each completed phase. The real estate development enterprise should register the project completion inspection and acceptance with the competent construction administration authorities at the county level or above where the construction is located within 15 days from passing the inspection and acceptance.

(C) Property Transactions

Transfer of Property

According to the Urban Real Estate Law and the “Provisions on Administration of Transfer of Urban Property” promulgated by the MOHURD on 7 August 1995 and as amended in 2001, a property owner may sell, bequeath or otherwise legally transfer property to another person or legal entity. When transferring a building, the ownership of the building and the land use rights to the site on which the building is situated are transferred simultaneously. The parties to a transfer must enter into a property transfer contract in writing and register the transfer with the property administration authority having jurisdiction over the location of the property within 90 days of the execution of the transfer contract.

Where the land use rights were originally obtained by assignment, the real property may only be transferred on condition that: (i) the assignment price has been paid in full for the assignment of the land use rights as provided by the assignment contract and a land use right certificate has been obtained; (ii) development has been carried out according to the assignment contract and in the case of a project in which buildings are being developed, the development representing more than 25.0% of the total investment has been completed.

If the land use rights were originally obtained by appropriation, transfer of the real property will be subject to the approval of the government vested with the necessary approval power as required by the State Council. Upon such approval, the transferee must complete the formalities for the rights to the assignment of the land use, unless the relevant statutes require no assignment formalities, and pay the land premium according to the relevant statutes.

Sale of Commodity Properties

Under the “Regulatory Measures on the Sale of Commodity Properties” promulgated by the MOHURD on 4 April 2001 and implemented on 1 June 2001, the sale of commodity properties can include both pre-completion sales (pre-sale) and post-completion sales.

(a) Permit of Pre-sale of Commodity Properties

According to the Development Regulations and the “Administrative Measures on the Pre-Sale of Urban Commercial Housing” promulgated by the MOHURD on 15 November 1994 and as amended on 23 July 2001 and 13 July 2004, respectively, the pre-sale of commodity properties will be subject to a licensing system. A property developer intending to sell a commodity property before its completion must make the necessary pre-sale registration with the
property development authority of the relevant city or county to obtain a permit for pre-sale of commodity properties. A commodity property may be sold before completion only if: (i) the assignment price has been paid in full for the assignment of the land use rights involved and a land use right certificate has been obtained; (ii) a construction work planning permit and a permit for commencement of construction work have been obtained; and (iii) the funds invested in the development of the commodity properties put to pre-sale represent more than 25.0% of the total investment in the project and the progress of works and the completion and delivery dates have been ascertained.

On 13 April 2010, the State Council issued the “Notice Regarding Questions Relating to the Strengthening of Supervision of Pre-Sale System of Commercial Properties in the Property Market” 《关于进一步加强房地产市场监管完善商品房住房预售制度有关问题的通知》，which prohibited property developers from accepting deposits or any form of payment prior to obtaining pre-sale approvals.

(b) **Supervision of Pre-sale Income of Commodity Properties**

According to the Pre-Sale Measures, the income of a property developer from the pre-sale of commodity properties must be used for the construction of the relevant projects. The specific measures for the supervision of the income from the pre-sale of commodity properties must be formulated by the property administrative authorities.

(c) **Conditions of the Sale of Post-Completion Commodity Properties**

Under the Regulatory Measures for Sale of Commodity Properties, commodity properties may be put to post-completion sale only when the following preconditions have been satisfied: (i) the property development enterprise must have a business licence and a qualification certificate of a property developer; (ii) the enterprise must obtain a land use right certificate or other approval documents for land use; (iii) the enterprise must have the permit for construction project planning and the permit for construction; (iv) the commodity must have been completed and been inspected and accepted as qualified; (v) the relocation of the original residents must have been well settled; (vi) the supplementary essential facilities for supplying water, electricity, heating, gas, communication, etc. must have been made ready for use, and other supplementary essential facilities and public facilities must have been made ready for use, or the schedule of construction and delivery date must have been specified; (vii) the property management plan must have been completed.

Before the post-completion sale of a commodity property, a property developer must submit the “Property Development Project Manual” and other documents evidencing the satisfaction of preconditions for post-completion sale to the property development authority for making a record.

(d) **Regulations on Transactions of Commodity Properties**

According to the Development Regulations and the Pre-Sale Measures, for the pre-sale of commodity properties, the developer must sign a contract on the pre-sale of a commodity property with the purchaser. The developer must, within 30 days after signing the contract, apply for registration and file the pre-sale commodity property to the relevant property administrative authorities.
(i) A buyer of a commodity property is prohibited from conducting any transfer of a pre-sold commodity before completion of construction and obtaining the building ownership certificate. If there is a discrepancy in the name of the applicant for property ownership and the name of the advance buyer in the pre-sale contract, the registration organisation of the property administration will not record the application of property ownership; and

(ii) A real name system is applied for each property purchase transaction and an immediate archival filing network system is in place for pre-sale contracts of commodity properties.

**Mortgages of Property**

Under the Urban Real Estate Law, the “The Guarantee Security Law of the People’s Republic of China” promulgated by the SCNPC on 30 June 1995 and implemented on 1 October 1995, and the “Measures on the Administration of Mortgages of Property in Urban Areas” promulgated by the MOHURD in May 1997 and as amended in 2001, when a mortgage is created on a building legally obtained, a mortgage must be simultaneously created on the land use rights of the land on which the building is situated. The land use rights of State-owned lands acquired through means of assignment, requires the buildings on the land to be concurrently mortgaged with the land. The land use rights of the town and village enterprises cannot be mortgaged separately. When buildings of the town and village enterprises are mortgaged, the land use rights occupied by the buildings shall also be mortgaged at the same time. The mortgager and the mortgagee must sign a mortgage contract in writing. Within 30 days after a property mortgage contract is signed, the parties to the mortgage must register the mortgage with the property administration authority at the location where the property is situated. A property mortgage contract will become effective on the date of registration of the mortgage. If a mortgage is created on the property for which a building ownership certificate has been obtained, the registration authority shall make an entry under the “third party rights” item on the original building ownership certificate and then issue a certificate of third party rights to the mortgagee. If a mortgage is created on the commodity property put to pre-sale or under construction, the registration authority will record the details on the mortgage contract. If the construction of a real property is completed during the term of a mortgage, the parties involved must re-register the mortgage of the real property after issuance of the certificates evidencing the ownership of the property.

The “Property Rights Law of the People’s Republic of China” which was adopted at the fifth session of the Tenth National People’s Congress on 16 March 2007 and came into effect as of 1 October 2007, provides that the mortgage registration of buildings and other objects fixed to land, the right to use construction land, and a building under construction shall have its mortgage right established as of the date of registration. Any buildings newly constructed on the land after such mortgage of the right to use construction land are not to belong to the mortgaged properties. Such newly constructed buildings can be disposed of together with the disposal of the aforesaid right to use construction land so as to realise the mortgage right. However, the mortgagee has no right to seek preferred payments from the money generated from the disposal of these newly constructed buildings.

The MLR, on 30 December 2007, issued the “Administrative Measures on Land Registration” which was effected on 1 February 2008.

According to the measures, land registration refers to the recording of land-use rights on registered land for public review. The measures stipulate that the administrative department of land and resources must conclude land registrations within 20 days after receiving an application. If the case is complex, a 10-day extension can be approved by the principal of land and resources’ administrative department.
On 8 April 2008, the MLR released the “Circular on Implementing the Land Registration Measures and Further Strengthening Land Registration Work” (关于贯彻实施＜土地登记办法＞进一步加强土地登记工作的通知), which calls for stringent land registration according to laws, cessation of illegal registration, and the prohibition of legalising illegal land through land registration.

The circular points out that the registrations will not be granted to cases involving unresolved land disputes, as well as cases where the full contract price has not been paid or where the use of land has been changed illegally. In addition, the circular stipulates that personnel without a Land Registration Qualification Certificate must not be engaged in land ownership investigation and examination. Any person responsible for incorrect registration or incomplete registrations must bear the consequences.

On 15 February 2008, the MOC released “Measures for Property Registration” (房屋登记办法). The measures are scheduled to take effect on 1 July 2008. The measures stipulate that in property registrations, the owners of the housing property rights should correspond with the owners of the land use rights. Based on Property Rights Law, the measures specifically regulate the pre-registration, registration of mortgage rights for construction work in process, registration for maximum mortgage amount, registration of rectification, registration for objection and registration for easement, which make property registrations more operable.

On 24 November 2014, the State Council released the “Interim Regulation on Real Estate” (不动产登记暂行条例). The regulation was effective from 1 March 2015 and stipulates more procedural and format provisions regarding the real estate mortgage registration.

Lease of Properties

According to the “Contract Law of PRC” (中华人民共和国合同法), which was promulgated by the National People’s Congress on 15 March 1999, a lease contract is defined as an agreement whereby a lessor agrees to deliver and handover possession of moveable or real property for the use and benefit of the lessee in consideration of rent to be paid by the lessee to the lessor. Under the Urban Property Law and the “Measures for Administration of Leases of commercial housing” (商品房屋租赁管理办法) promulgated by the MOC on 1 December 2010 and with effect from 1 February 2011, the parties to a lease of a building shall enter into a written lease contract. A system has been adopted to register the leases of buildings. When a lease contract is signed, amended or terminated, the parties shall register the details with the property administration authority under the local government of the city or county in which the building is situated.

Based on the Urban Property Law and other relevant laws and regulations, provincial governments across PRC have promulgated local regulations to standardise the property leasing procedures, protect the lawful rights and interests of lessors and lessees, and maintain the order in the property leasing market. Local regulations require that property lease agreements must include the following information: the names and addresses of the parties to the lease; details of the location, total area, structure type, ancillary facilities and equipment to be leased; the use of the building; the completion date of the building; the term of the lease; the amount, method of payment and time of payment of the rent; the use and the party responsible for maintenance of the leased building; the prescribed condition of the building at the expiration of the lease term; liability for breach of the lease; method of dispute resolution; and other matters determined by the parties.
Financing for Property Development Enterprises

The PBOC issued the “Circular on Further Strengthening the Management of Property Loans” on 5 June 2003 to specify the requirements for banks to provide loans for real estate development projects as follows:

(i) Property loans by commercial banks to property development enterprises shall be granted only in respect of a particular item of property development rather than a cash flow or other loan item. Loans of any kind must not be granted for projects which do not obtain a land use right certificate, construction land planning permit, construction works planning permit and construction works commencement permit.

(ii) Commercial banks shall not grant loans to property development enterprises to pay off land premiums.

Pursuant to the “Guidance on Risk Management of Property Loans from Commercial Banks” issued by the China Banking Regulatory Commission (“CBRC”) on 30 August 2004, any property development enterprise applying for property development loans shall have at least 35.0% of the capital required for the development.

On 11 July 2006, the MOC, the MOFCOM, the NDRC, the PBOC, the SAIC and the SAFE jointly promulgated the “Opinion on Regulating the Access to and Management of Foreign Capital in the Property Market” (the “Opinion on Regulating Access and Management”). According to the Opinion on Regulating Access and Management, foreign-invested property enterprises which have not paid up their registered capital, failed to obtain a land use right certificate, or which have less than 35.0% of the capital for the project, will be prohibited from obtaining a loan in or outside China, and the SAFE shall not approve the registration of foreign loans from such enterprises.

On 27 September 2007, the PBOC and the CBRC issued the “Notice on Strengthening the Management of Commercial Real Estate Credit and Loans” (the “Notice on Strengthening the Management”). The Notice on Strengthening the Management puts forward requirements for the purpose of strengthening loan management, including by means of credit checks, monitoring of real estate loans and risk management, in respect of (i) real estate development, (ii) land reserves, (iii) housing consumption and (iv) purchase of commercial buildings. Pursuant to the Notice, commercial banks shall not grant loans in any form, to (i) projects where the capital funds (owner’s equity) constitutes less than 35.0%, or, projects without a land use right certificate, construction land planning permit, construction works planning permit and construction works commencement permit; and (ii) property development enterprises that have been hoarding land, as detected and verified by land resources departments and construction authorities. Furthermore, commercial banks are not permitted to accept commodity buildings with a vacancy exceeding three years as collateral for a loan, and may not grant property development enterprises any loans for the payment of relevant land assignment premiums.

In respect of commercial building loans, commercial buildings purchased by way of loan shall be buildings that have satisfied procedural requirements of completion inspection and acceptance. For the purchase of such, the initial ratio shall be no less than 50.0%, the loan term shall not exceed 10 years and the interest rate shall not be under 110.0% of the benchmark interest rate as announced by the PBOC during the same period and in the same bracket. Where a loan application is made in the name of a “commercial and residential building”, the initial ratio shall be no less than 45.0% and the loan term and interest rate shall be arranged according to relevant regulations.
(E) Insurance and Environmental Laws

Insurance

There are no mandatory provisions under PRC laws, regulations and government rules which require a real estate developer to take out insurance policies.

Environmental Protection

Under the requirements of the relevant laws and regulations such as the “Law of Appraisal Measures for the Impact on the Environment of PRC” 《中华人民共和国环境影响评价法》 implemented by the SCNPC in September 2003 and amended in 2016, and the “Regulations Governing Environmental Protection of Construction Projects” 《建设项目环境保护管理条例》 implemented by the State Council on 29 November 1998, construction enterprises must carry out an appraisal of the impact the construction project will have on the environment. The relevant project shall not commence until approval is obtained from the supervisory body for environmental protection. While the project is in progress, the property owner and contractor should also enforce the appraisal documents relating to the impact on the environment and implement the environmental protection measures suggested in the opinion of the supervisory body for environmental protection. Such measures must be incorporated into the design, construction and operation of the general construction. Upon completion of the project, the property owner should apply to the supervisory body for environmental protection for the inspection and acceptance of the completed environmental protection facilities. Only those projects that have been inspected and accepted may go into operation or be available for use.

(F) Employment

The Employment Contract Law

The “Employment Contract Law of PRC” 《中华人民共和国劳动合同法》 was promulgated by the SCNPC on 29 June 2007, and came into effect on 1 January 2008, and amended on 28 December 2012. The Employment Contract Law is primarily aimed at the regulation of employee/employer rights and obligations, including matters with respect to the establishment, performance and termination of labour contracts. Under the Employment Contract Law, (i) employers must pay employees double income in circumstances where an employer fails to enter into an employment contract within one year with an employee who works for the employer for a period exceeding one month. Where such period exceeds one year, the parties are deemed to have entered into a labour contract with an unfixed term, (ii) employees who fulfil certain criteria, including having worked for the same employer for 10 years or more, may demand that the employer execute a labour contract with an unfixed term, (iii) the range of situations in which employers must lawfully compensate employees has increased, (iv) an upper limit has been set on the amount of compensation an employer may seek for an employee’s breach of the agreed service term. The upper limit may not exceed the cost of training supplied to the employee, (v) employees in respect of whom employers have not in accordance with law made social insurance contributions may terminate their employment contracts, (vi) employers who demand money or property from employees by way of guarantee or whatsoever may be fined a maximum of Renminbi 2000 for each employee, and (vii) employers who intentionally deprive employees of any part of their salary must, in addition to their full salary, compensate their employees in the order of 50.0% to 100.0% of the amount of salary so deprived.
The Law on Employment Promotion

The “Law of the People’s Republic of China on Employment Promotion” (the “Law on Employment Promotion”) was promulgated by the SCNPC on 30 August 2007, and came into effect on 1 January 2008, and amended on 24 April 2015. The Law on Employment Promotion contains provisions on employment issues, including policy support, fair employment, employment services and management, and vocational education and training. More particularly, the Law on Employment Promotion (i) states explicitly that discriminatory employment practices should not be adopted and, in circumstances where such practices are adopted, employees have the right to launch a suit with the People’s Court, (ii) provides that public employment service agencies established by the People’s Government at county level or above should provide employees with free services such as consultation on employment policies and laws and regulations, vocational training and placement, and price guidance for market wages, and (iii) provides an employment and unemployment registration system, stipulating that employers must complete employment registration with public employment service agencies for employees after they have been recruited, while employees who are individual operators or engaged in unfixed jobs may register with community public employment service agencies, and shall be entitled to applicable support policies upon registration.

(G) Rules on Foreign Exchange and Dividend Distribution

The Foreign Currency Administration Rules

The principal regulation governing foreign currency exchange in PRC is the “Foreign Currency Administration Rules” which was issued by the State Council on 29 January 1996 and effective from 1 April 1996, and which was amended on 14 January 1997 and 5 August 2008. Under these rules, RMB is freely convertible for payments of current account items, including trade and service-related foreign exchange transactions and dividend payments, but not for capital account expenses, including direct investment, loan or investment in securities outside PRC. RMB may only be converted for capital account expenses once the prior approval of the SAFE has been obtained. Under the Foreign Currency Administration Rules, foreign-invested enterprises in PRC may purchase foreign exchange without the approval of the SAFE for trade and service-related foreign exchange transactions by providing commercial documents evidencing such transactions. They may also retain foreign exchange (subject to a cap approved by the SAFE) to satisfy foreign exchange liabilities or to pay dividends. However, the relevant PRC government authorities, which have significant administrative discretion in implementing the laws, may restrict or eliminate the ability of foreign-invested enterprises to purchase and retain foreign currencies in the future. In addition, foreign exchange transactions involving direct investment, loans and investment in securities outside PRC are subject to limitations and require approvals from the SAFE.

Regulation on Dividend Distribution

The principal laws and regulations governing distribution of dividends paid by foreign invested enterprises in PRC include (i) the Company Law, (ii) the WFOE Law and its implementing regulations, and (iii) the JV Law and its implementing regulations. Under the above laws and regulations, domestic companies and foreign-invested enterprises in PRC may pay dividends only from accumulated after-tax profits, if any, determined in accordance with the PRC accounting standards and regulations. In addition, such enterprises are required to set aside at least 10.0% of their after-tax profits each year, if any, to fund certain reserve funds. Until such time as the accumulated reserve funds reach and remain above 50.0% of the enterprise's registered capital amount, these reserves are not distributable as cash dividends. Under the relevant PRC law, no net assets other than the accumulated after-tax profits can be distributed in the form of dividends.
TAXATION

The following summary of certain Singapore and PRC tax consequences of the subscription, ownership and disposition of the Units is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to subscribe for, own or dispose of the Units and does not purport to apply to all investors, some of whom may be subject to special rules either in Singapore, PRC or in the tax jurisdiction where they are resident. Investors should consult their own tax advisors concerning the application of Singapore and PRC tax laws to their particular situations as well as any consequences of the subscription, ownership and disposal of the Units arising under the laws of any other relevant taxing jurisdiction.

Where PRC tax laws are discussed, these are merely to outline the implications of such laws on the investments by Dasin Retail Trust (directly or indirectly) and the taxes payable by the companies in which such investments have been/are proposed to be made.

SINGAPORE TAXATION

Taxation of Dasin Retail Trust and its Singapore subsidiaries

Income Tax

Taxation of Dasin Retail Trust

Income receivable by Dasin Retail Trust

Except as detailed in the paragraphs below, Dasin Retail Trust is liable to Singapore income tax on the following income:

(a) income accruing in or derived from Singapore; and

(b) income derived from outside Singapore (i.e. foreign-sourced income) which is received in Singapore or deemed to have been received in Singapore by the operation of law.

Such income is subject to tax at the trustee level. The tax is assessed on the Trustee-Manager (in its capacity as trustee) at the prevailing corporate tax rate, currently 17.0%, after taking into account the following partial exemption for the first S$300,000 of chargeable income:

(a) 75.0% of up to the first S$10,000 of chargeable income; and

(b) 50.0% of up to the next S$290,000 of chargeable income.

Dividends from Singapore Holdco

Provided Singapore Holdco is a tax resident of Singapore, dividends from Singapore Holdco will be exempt from Singapore income tax in the hands of the Trustee-Manager (in its capacity as trustee) under Section 13(1)(za) of the Income Tax Act, Chapter 134 of Singapore (“ITA”).

Gain on disposal of shares in Singapore Holdco

Singapore currently does not impose tax on capital gains. In the event that Dasin Retail Trust disposes of its shares in Singapore Holdco, any gain derived from the disposal will not be liable to Singapore income tax unless such gain is considered income derived from a trade or business.
Such gain may also be liable to Singapore income tax if the shares in Singapore Holdco were acquired with the intent or purpose of making a profit from their subsequent sale and not for long-term investment purposes.

Such gain, if liable to Singapore income tax, will be taxed at the trustee level. The tax will be assessed on the Trustee-Manager (in its capacity as trustee) at the prevailing corporate tax rate, currently 17.0%.

Proceeds from repayment of loans

Any proceeds received by Dasin Retail Trust from repayment of the principal amount of the loans extended to Singapore Holdco are capital receipts and hence not taxable on the Trustee-Manager (in its capacity as trustee).

Taxation of Singapore Holdco

Income receivable by Singapore Holdco

Except as detailed in the paragraphs below, Singapore Holdco is liable to Singapore income tax on:

(a) income accruing in or derived from Singapore; and

(b) income derived from outside Singapore (i.e. foreign-sourced income) which is received in Singapore or deemed to have been received in Singapore by the operation of law.

The tax is assessed at the prevailing corporate tax rate, currently 17.0%, on the company’s chargeable income after taking into account the following partial exemption for the first S$300,000 of chargeable income:

(a) 75.0% of up to the first S$10,000 of chargeable income; and

(b) 50.0% of up to the next S$290,000 of chargeable income.

Dividends from Singapore Holding Companies

Provided the Singapore Holding Companies are tax residents of Singapore, dividends from the Singapore Holding Companies will be exempt from Singapore income tax in the hands of Singapore Holdco under Section 13(1)(za) of the ITA.

Gain on disposal of shares in Singapore Holding Companies

Singapore currently does not impose tax on capital gains. In the event that Singapore Holdco disposes of its shares in the Singapore Holding Companies, any gain derived from the disposal will not be liable to Singapore income tax unless such gain is considered income derived from a trade or business. Such gain may also be liable to Singapore income tax if the shares in the Singapore Holding Companies were acquired with the intent or purpose of making a profit from their subsequent sale and not for long-term investment purposes.

Proceeds from repayment of loans

Any proceeds received by Singapore Holdco from repayment of the principal amount of the loans extended to the Singapore Holding Companies are capital receipts and hence not taxable on the company.
Taxation of Singapore Holding Companies

**Income receivable by Singapore Holding Companies**

Except as detailed in the paragraphs below, each of the Singapore Holding Companies is liable to Singapore income tax on:

(a) income accruing in or derived from Singapore; and

(b) income derived from outside Singapore (i.e. foreign-sourced income) which is received in Singapore or deemed to have been received in Singapore by the operation of law.

The tax is assessed at the prevailing corporate tax rate, currently 17.0%, on the company’s chargeable income after taking into account the following partial exemption for the first S$300,000 of chargeable income:

(a) 75.0% of up to the first S$10,000 of chargeable income; and

(b) 50.0% of up to the next S$290,000 of chargeable income.

**Dividends from PRC Property Companies and Rental Management Companies**

Provided the Singapore Holding Companies are tax residents of Singapore, any dividends received in Singapore directly from PRC by the Singapore Holding Companies from the PRC Property Companies and the Rental Management Companies will be exempt from Singapore income tax under Section 13(8) of the ITA, if the following conditions are met:

(a) at the time the dividends are received in Singapore, the highest rate of tax of a similar character to income tax levied under the law of PRC on any gains or profits from any trade or business carried on by any company in PRC at that time is not less than 15.0%;

(b) the dividends are subject to tax of a similar character to income tax under the law of PRC; and

(c) the Comptroller of Income Tax is satisfied that the tax exemption would be beneficial to the Singapore Holding Companies.

Based on the current tax laws in PRC, dividends paid by the PRC Property Companies and the Rental Management Companies should be able to meet the aforesaid conditions. (See “Taxation – PRC Taxation” of this Prospectus for further details.)

**Gain on disposal of shares in PRC Property Companies and Rental Management Companies**

Singapore currently does not impose tax on capital gains. In the event of a disposal of the shares in any of the PRC Property Companies or the Rental Management Companies, any gain derived from the disposal will not be liable to Singapore income tax unless such gain is considered income derived from a trade or business. Such gain may also be liable to Singapore income tax if the aforesaid shares were acquired with the intent or purpose of making a profit from their subsequent sale and not for long-term investment purposes.
GST

Recovery of GST incurred by Dasin Retail Trust, Singapore Holdco and Singapore Holding Companies

Dasin Retail Trust, Singapore Holdco and the Singapore Holding Companies are not eligible for GST registration. They will therefore not be able to recover GST (the standard rate of GST is currently 7.0%) incurred on their expenses.

Stamp duty

Singapore stamp duty is levied only on written documents relating to transfer of stocks, shares and immovable property. The rates vary according to the nature of the document and the values referred to in the document. Issuance of shares by a Singapore company will not attract any Singapore stamp duty.

In the case of transfer of shares of a Singapore company, stamp duty at the rate of 0.2% of the higher of purchase price or market value will be levied on the buyer.

Taxation of Unitholders

Income Tax

Distributions by Dasin Retail Trust

Distributions made by Dasin Retail Trust are exempt from Singapore income tax in the hands of all Unitholders. These distributions are also not subject to Singapore withholding tax. Unitholders are not entitled to tax credits in Singapore for any taxes paid by the Trustee-Manager (in its capacity as trustee) on the income of Dasin Retail Trust.

Gain on disposal of Units

Singapore currently does not impose tax on capital gains. Therefore, gains on disposal of the Units that are capital in nature will not be subject to Singapore income tax. However, such gains may be considered income in nature and subject to Singapore income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains may also be considered income in nature, even if they do not arise from an activity in the ordinary course of trade or business or an ordinary incident of some other business activity, if the intention of the Unitholder was not to hold the Units as long-term investments.

As the precise tax status of one Unitholder will vary from another, Unitholders are advised to consult their own professional advisers on the Singapore tax consequences that may apply to their individual circumstances.

Unitholders who have adopted or are required to adopt Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement (“FRS 39”) for financial reporting purposes may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Units, irrespective of disposal. Unitholders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Units arising from the adoption of FRS 39.
**Stamp duty**

Stamp duty will not be imposed on instruments of transfers relating to the Units. In the event of a change of the trustee-manager of Dasin Retail Trust, any document effecting the appointment of a new trustee-manager and the transfer of the trust assets from the incumbent trustee-manager to the new trustee-manager should also not be subject to stamp duty.

**GST**

The sale of the Units by a GST-registered investor belonging in Singapore for GST purposes through a SGX-ST member or to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST (e.g., GST on brokerage) incurred by the GST-registered investor in making such an exempt supply is generally not recoverable from the Singapore Comptroller of GST unless the investor satisfies certain conditions prescribed under the GST legislation or certain GST concessions.

Where the Units are supplied by a GST-registered investor in the course or furtherance of a business carried on by such investor to a person who belongs outside Singapore for GST purposes, the sale should generally, subject to the satisfaction of certain conditions, be subject to GST at 0%. Any input GST incurred (e.g., GST on brokerage) by a GST-registered investor in making such a zero-rated supply for the purpose of a business carried on by him may, subject to the provisions of the GST legislation, be recoverable from the Singapore Comptroller of GST.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and disposition of the Units.

Services such as arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership in the Units rendered by a GST-registered person to an investor belonging in Singapore for GST purposes will be subject to GST at the standard rate of 7.0%. Similar services supplied to an investor who belongs outside Singapore for GST purposes should generally, subject to satisfaction of certain conditions, be subject to GST at 0%.

**PRC TAXATION**

**Taxation of PRC Property Companies and Rental Management Companies**

**PRC CIT**

Under the prevailing PRC CIT Law which came into effect from 1 January 2008, the statutory CIT rate has been unified at 25.0% for all PRC resident enterprises, including domestic enterprises and foreign invested enterprises. Therefore, the PRC Property Companies and the Rental Management Companies will be subject to CIT at 25.0% on their respective taxable profits generated from the leasing of properties, sales of properties and other business operations. In general, subject to certain limitations and specific allowances, all necessary and reasonable expenses (including tax depreciation or amortisation) incurred in carrying out a business with sufficient supporting documents (e.g., invoices and/or contracts) are deductible for the purpose of computing the taxable profits. Tax losses can be carried forward for five consecutive years to offset against the future taxable profits.

In the event of a disposal of any property by the PRC Property Companies, any gains arising from the sales of the property will be included as taxable profits and be subject to CIT at 25.0%.
According to the PRC VAT Provisional Regulations and its Implementation Rules of PRC, all units and individuals engaged in the sales of tangible movable goods, provisions of processing, repairs and replacement services and the importation of goods within the territory of PRC are taxpayers of VAT. From 1 January 2012, PRC has been undergoing an indirect tax reform with an aim to gradually converge BT with VAT. The changes under the reform include, but are not limited to, the expansion of the scope of VAT taxable activities as well as the offering of different VAT rates for different types of VAT pilot services at 6.0%, 11.0% and 17.0%. Under the VAT regime, for general VAT payers, output VAT is generally applied on the gross turnover at applicable VAT rate while the qualified input VAT is creditable against the output VAT. A reduced rate of 3.0% is applicable for small-scale VAT payers but their input VAT is not creditable.

The VAT system has been expanded to include the real estate industry (including the leasing and disposal of real estate properties, the provision of property management services, etc.) with effect from 1 May 2016. The rate of VAT for a general VAT payer in the real estate industry and construction industry is 11.0%. Leasing and sales of immovable properties is subject to VAT at 11.0%.

Under the VAT regime, the surcharges, including local surcharges, previously payable based on the amount of BT payable, continues to be payable, except that the base is changed to the amount of VAT paid.

Local Surcharges

Education surcharge at 3.0%, city construction tax at 1.0%, 5.0% or 7.0% (depending on the location of the PRC Property Companies and the Rental Management Companies) and local education surcharge at 2.0% should be imposed on the PRC Property Companies and the Rental Management Companies based on their indirect tax liability payable (including VAT and Consumption Tax). Subject to local practices which may vary in different provinces or cities in PRC, additional specific local surcharges may also be imposed at certain percentage of the VAT payable or the VAT taxable income.

Land Appreciation Tax ("LAT")

Pursuant to the PRC LAT Provisional Regulations and its Implementation Rules, appreciation derived from the transfer of real estate properties in PRC will be subject to LAT. LAT is calculated at progressive tax rates ranging from 30.0% to 60.0% on the amount of appreciation realised from the transfer of real estate properties. The amount of appreciation realised is the amount of the sale proceeds in excess of the amount of the deductible items. Deductible items generally include costs of land use rights, development and construction costs (for self-developed property), indirect expenses (for self-developed property), taxes and fees incurred for the transfer of the real estate property and other items that may be permitted under the PRC LAT regulations.

Real Estate Tax ("RET")

RET is levied on the owner of real estate properties in PRC. Subject to the local practice in the locality where the property is located, there are two types of RET calculation methods depending on whether the property is for self-use or held for lease. RET on self-used property should generally be calculated by applying RET rate of 1.2% per annum on 70.0% to 90.0% of the original cost of the self-used property. According to the prevailing regulations, if the property is leased out, RET should generally be calculated at 12.0% per annum on the rental income. However, the assessment method of RET used in each locality may be either of these two methods regardless of the use of the property.
Land Use Tax (“LUT”)

LUT should be applied on all enterprises which own land use rights. The annual tax rates of LUT range from RMB 0.6 to RMB 30.0 per sq m depending on the location and the type of property. The exact LUT rate depends on the detailed implementation rules issued by the relevant local governments where the real estate properties are located.

Stamp Duty

According to the relevant stamp duty regulations of PRC, stamp duty is payable on all dutiable documents executed or used in PRC. The applicable stamp duty rates would depend on the type of dutiable documents. Stamp duty is levied at 0.05% on the transacted value stated in contracts for the transfer of property or shares, 0.1% on the rental for leasing contracts and 0.005% on the loan principal amount for loan contracts. Stamp duty is payable by each contractual party to the dutiable contract.

Deed Tax (“DT”)

According to the relevant DT regulations of PRC, transferees or buyers should be subject to DT on the transfer of land use rights or ownership of real estate property. DT is imposed at 3.0% to 5.0% of the transacted price. The exact DT rate would depend on the detailed implementation rules issued by the relevant local governments where the real estate properties or the land is located.

WHT

Pursuant to the PRC CIT Law and its Implementation Rules, non-PRC tax resident enterprises which have no establishment or place of business in PRC should be subject to PRC WHT at 10.0% on dividends, interest, capital gains, rental, royalties and other income sourced in PRC. The 10.0% WHT may be reduced under the tax treaty in force between PRC and the country of residence of the non-PRC tax resident enterprise, subject to the terms and conditions of the relevant tax treaty.

Under the Singapore-PRC DTA, the WHT rate on PRC-sourced dividends payable to a resident of Singapore is reduced in certain circumstances.

In relation to dividends, provided that each Singapore Holding Company (i) directly holds at least twenty-five per cent. (25.0%) equity of the relevant PRC Property Company or Rental Management Company paying the dividends at any time during the twelve-month preceding the receipt of the dividends; (ii) qualifies as a Singapore tax resident enterprise under the Singapore-PRC DTA; (iii) does not have a permanent establishment in PRC; (iv) is not deemed to be a tax resident enterprise of PRC; and (v) is the beneficial owner of the PRC-sourced income according to Guoshuihan [2009] No. 601 ("Circular 601") and Announcement [2012] No. 30 ("Announcement 30"), it should be eligible for the reduced WHT rate of 5.0% for the dividends received from the PRC Property Company or the Rental Management Company.

Circular 601 and Announcement 30

In order to enjoy tax treaty benefits on PRC-sourced dividends and interest, the non-PRC resident income recipient must be the “beneficial owner” of the PRC-sourced dividends and interest.

In this respect, the SAT has issued Circular 601 to provide guidance on the interpretation of “beneficial owner” for the purposes of enjoying tax treaty benefits on dividends, interest and royalties under the tax treaty network of PRC. According to Circular 601, a “beneficial owner”
should have the ownership and right of control over the income, or the rights or the properties which give rise to the income. In addition, the beneficial owner should engage in substantial business operations.

Circular 601 also states that a conduit company would not qualify as a “beneficial owner”. A conduit company refers to a company which is established for tax avoidance, reduction or deferral or for the accumulation of profits purposes. It does not engage in substantial business operations such as trading and manufacturing activities. The PRC tax authorities will adopt a substance-over-form approach in assessing beneficial ownership. Circular 601 lists out seven unfavourable factors that the PRC tax authorities will take into account for the purpose of determining the beneficial ownership.

Announcement 30 was issued in 2012 to provide further clarification on the implementation of Circular 601. It clarified that the seven unfavourable factors listed in Circular 601 shall be “collectively” considered, which means the tax authority should not deny an application purely because of the existence of a single disadvantageous factor. Announcement 30 further clarified that the supporting documents for determining a beneficial owner include articles of association, financial statements, cash flow statements, board meetings and board resolutions of the non-PRC resident enterprises.

Announcement 30 also states that if a non-PRC resident enterprise is a listed company or is 100.0% directly or indirectly owned by a listed company located in the same country/jurisdiction, the PRC tax authorities could accept the applicant as the beneficial owner of the dividend income for the tax treaty purpose. There is currently no specific guidance in prevailing PRC regulations on the interpretation of the abovementioned “listed company” and whether it could include a listed business trust.

**Gains on disposal of equity interest in PRC Property Companies or Rental Management Companies**

Capital gains derived by an offshore holding company on a direct disposal of its equity interest in a PRC company would be subject to PRC WHT at 10.0% on a gross basis. Pursuant to Announcement [2015] No. 7 issued by the SAT (“Announcement 7”), if a non-PRC resident enterprise indirectly transfers equity interests in PRC resident enterprises or other PRC property through arrangements lacking “reasonable commercial purpose” and avoids PRC CIT liability, the indirect transfer shall be re-characterised as a direct transfer of equity interests in the PRC resident enterprises or other PRC property respectively. “Indirect transfer” refers to non-PRC resident enterprises transferring equities or similar rights/interests of offshore companies which directly or indirectly own “PRC taxable assets”, and the applicable scope of “PRC taxable assets” is clarified to include assets of PRC establishments and immovable properties in PRC. If the capital gains derived from indirect transfers are taxable in PRC according to Announcement 7, the non-PRC resident enterprise seller should report the taxes on the capital gains derived from the indirect transfer and the entity or individual directly obligated by law or contract to make payments to the non-PRC resident enterprise seller should be the withholding agent.

**Guoshuihan [2009] No. 698 (“Circular 698”) and Announcement 7**

Circular 698 was issued by the SAT on 10 December 2009 (but applies retroactively from 1 January 2008) to regulate and strengthen the CIT administration of capital gains derived by non-resident enterprises through the direct or indirect transfer of PRC equity interest. It covers tax filing and tax payment responsibility for the non-resident enterprise seller in the case of a direct disposal, as well as the reporting responsibility for the non-PRC resident enterprise seller in the case of an indirect disposal.
Announcement 7 was released on 3 February 2015 and took immediate effect. It provides replacement and supplementary rules to Circular 698, including, but not limited to, the following aspects:

- Announcement 7 has set out a more detailed guideline for the commercial purpose test. It also clarifies that if an arrangement carries with it all of the designated features (such as 75.0% or more of the equity value is directly or indirectly derived from PRC taxable assets, 90.0% or more of the total assets are attributed to the PRC taxable assets at any time during the one year period preceding the indirect transfer of PRC taxable assets), it shall be directly regarded as a transaction without reasonable commercial purposes.

- Announcement 7 also provides for safe harbour rules to apply in the following situations: (i) the indirect transfer gains were derived by a non-PRC resident enterprise from buying and selling shares of the same overseas listed company in a public securities market (“listed company exception”); or (ii) if the non-PRC resident enterprise seller otherwise directly holds and transfers the PRC taxable assets, the capital gains derived could be exempted from income tax in PRC according to the applicable tax treaty provision. The “listed company exception” generally applies to a share transaction under which the transaction parties, volume and price are determined completely over the public stock exchange and not pre-determined by the transaction parties outside of the stock exchange.

- Qualifying intra group restructuring will also be regarded as “having reasonable commercial purposes” if certain criteria are met (e.g., share percentage of the buyer and seller, CIT/WHT burden on the subsequent indirect share transfer will not be reduced).

- The buyer who pays the proceeds (even if it is a non-PRC resident enterprise) shall be the withholding agent for the WHT liability of the transferor on the taxable indirect transfer.

Therefore, pursuant to Circular 698 and Announcement 7, in the event of a disposal of the shares in the Singapore Holding Companies or Singapore Holdco, the gains arising from such disposal may be subject to WHT in PRC. According to Circular 698, the gains arising from such disposal should generally be computed by reference to the gross sales proceeds minus the cost paid by the relevant Singapore Holding Company for the acquisition of the shares in the respective PRC Property Company or Rental Management Company provided the previous owner (i.e. the vendor(s) of those shares) has paid CIT on the gains from the previous sale (i.e. the sale of those shares to the Singapore Holding Company).

**Taxation of Dasin Retail Trust**

Provided that (i) Dasin Retail Trust is not a PRC tax resident enterprise; and (ii) it does not have a place of business or establishment in PRC, Dasin Retail Trust should only be subject to PRC tax if it derives PRC-sourced income.

Pursuant to Circular 698 and Announcement 7, if Dasin Retail Trust indirectly transfers the equity interest in the PRC Property Companies or the Rental Management Companies through the disposal of the equity interest in the Singapore Holding Companies or Singapore Holdco, Dasin Retail Trust may, as mentioned above, be liable to WHT in PRC on the gains arising from such disposal.
Taxation of Unitholders

A Unitholder should not be subject to PRC tax on distributions from Dasin Retail Trust unless Dasin Retail Trust is a PRC tax resident enterprise or the Unitholder is a PRC tax resident.

Pursuant to Circular 698 and Announcement 7, if any Unitholder has indirectly transferred the equity interest in the PRC Property Companies or the Rental Management Companies through the disposal of Units, the Unitholder may be required to report such disposal to the PRC tax authorities. However, pursuant to the safe harbour rules in Announcement 7 for the indirect transfer gains derived by a non-PRC resident enterprise from buying and selling of equity in a public securities market (see section above on “Circular 698 and Announcement 7” for details), gains from disposal of Units on the SGX-ST, subject to meeting certain requirements (e.g., where the transaction parties, volume and price are determined completely over the stock exchange), might have the opportunity to leverage on the “listed company exception” and be exempt from PRC WHT.

PRC General Anti-Avoidance ("GAA") Provisions

With the introduction of the GAA provisions under the PRC CIT regime, if an enterprise carries out any business arrangements without reasonable commercial purposes (i.e., the primary purpose is to reduce, avoid or defer PRC tax payment) which result in reduction of its taxable revenue or income, the PRC tax authorities are empowered to make adjustments using reasonable methods.

According to Guoshuifa [2009] No. 2, the PRC tax authorities can initiate a GAA investigation pursuant to the GAA provisions of the PRC CIT Law and its Implementation Rules if the following tax avoidance arrangements are identified:

(a) abusive use of tax incentives;
(b) abusive use of tax treaties;
(c) abusive use of the forms of enterprise organisations;
(d) tax avoidance through tax havens; or
(e) other business arrangements without bona fide commercial purposes.

The SAT released SAT Order [2014] No. 32 promulgating the Administrative Measures for GAA rules ("GAAR" or "the GAAR Measures") in December 2014, which empowers the PRC tax authorities to invoke the principle of “substance-over-form” to apply special tax adjustments on cross-border tax avoidance arrangements carried out by enterprises to gain tax benefits without reasonable commercial purposes. The GAAR Measures took effect from 1 February 2015 and retroactively applies to all open cases.

Anti-tax avoidance measures, including transfer pricing, thin capitalisation, cost sharing and controlled foreign corporations, are formulated to target specific tax avoidance or deferral cases. The SAT emphasised that GAAR should only be invoked if a tax avoidance arrangement is not properly dealt with by any of the above specific anti-tax avoidance measures. Two major features of a tax avoidance arrangement are specified in the GAAR Measures and they are:

- The sole or main purpose of the arrangement is to obtain tax benefit which refers to the reduction, exemption or deferral of income tax payable.
- The tax benefit is obtained using an arrangement, the form of which is permitted in accordance with tax law(s) but is not commensurate with its economic substances.
The GAAR Measures reiterate the general “substance-over-form” principle when making tax adjustments and lay out the following adjustment methods:

- re-characterising all or part of the nature of a transaction;

- disregarding the existence of the counterparty to the transaction or deeming such counterparty and other transaction party(ies) as the same entity for tax characterisation purposes;

- re-characterising the nature of relevant income, deductions, tax incentives, foreign tax credits or others, or reallocating the split among the transaction parties; and

- any other reasonable methods.

If the PRC tax authorities regard an enterprise as having entered into tax avoidance arrangements, it would deny any tax benefits associated with such arrangements. The PRC tax authorities can disregard the existence of an enterprise that does not have any economic substance, especially one established in a tax haven that leads to tax avoidance for its related and unrelated parties.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE UNITS IN LIGHT OF THE INVESTOR’S OWN CIRCUMSTANCES.
PLAN OF DISTRIBUTION

The Trustee-Manager is making an offering of 151,768,900 Units (representing approximately 27.6% of the total number of Units in issue after the Offering) for subscription at the Offering Price under the Placement Tranche and the Public Offer. 149,768,900 Units will be offered under the Placement Tranche and 2,000,000 Units will be offered under the Public Offer. Units may be re-allocated between the Placement Tranche and the Public Offer at the sole discretion of the Joint Bookrunners and Underwriters, subject to the minimum unitholding and distribution requirements of the SGX-ST.

The Public Offer is open to members of the public in Singapore. Under the Placement Tranche, the Trustee-Manager intends to offer the Units by way of an international placement through the Joint Bookrunners and Underwriters to investors, including institutional and other investors in Singapore and elsewhere, in reliance on Regulation S.

Pursuant to and subject to the terms and conditions to be set forth in the underwriting agreement to be entered into between the Joint Bookrunners and Underwriters, the Trustee-Manager and the Sponsor on 13 January 2017 (the “Underwriting Agreement”), the Trustee-Manager is expected to effect for the account of Dasin Retail Trust the issuance of, and the Joint Bookrunners and Underwriters are expected to severally (and not jointly or jointly or severally) procure subscribers for, and failing which, to subscribe for 183,018,900 Units (being the number of Units to be issued pursuant to the Offering and the Cornerstone Units), in the proportions set forth opposite their respective names below:

<table>
<thead>
<tr>
<th>Joint Bookrunners and Underwriters</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBS Bank Ltd.</td>
<td>167,930,500</td>
</tr>
<tr>
<td>Bank of China Limited, Singapore Branch</td>
<td>7,500,000</td>
</tr>
<tr>
<td>Haitong International Securities (Singapore) Pte. Ltd.</td>
<td>7,588,400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>183,018,900</strong></td>
</tr>
</tbody>
</table>

The Units will be offered at the Offering Price. The Offering Price per Unit in the Placement Tranche and the Public Offer will be identical. As will be stipulated in the Underwriting Agreement, an underwriting, selling and management commission will be payable to the Joint Bookrunners and Underwriters for their services in connection with the Offering (the “Underwriting, Selling and Management Commission”) and which will be borne by Dasin Retail Trust.

The Trustee-Manager and the Sponsor have agreed in the Underwriting Agreement to indemnify, among others, the Joint Bookrunners and Underwriters against certain liabilities, to the extent permitted by law. The Underwriting Agreement contains a contribution clause which provides that where the indemnification is unavailable to or is insufficient to hold harmless the Joint Bookrunners and Underwriters in respect of any losses, claims, damages or liabilities (or actions in respect thereof), then each indemnifying party shall contribute to the amount paid or payable by such Joint Bookrunner and Underwriter as a result of such losses, claims, damages or liabilities (or actions in respect thereof) (a) in such proportion as is appropriate to reflect the relative benefits received by the Trustee-Manager or the Sponsor, as the case may be, on the one hand and the Joint Bookrunners and Underwriters on the other from the offering of the Units, or (b) if the allocation provided by the foregoing paragraph (a) is not permitted by applicable law, then each indemnifying party shall contribute to such amount paid or payable by, among others, the Joint Bookrunners and Underwriters in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Trustee-Manager or the Sponsor, as the case may be, on the one hand and the Joint Bookrunners and Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations.

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The relative benefits received by the Trustee-Manager or the Sponsor, as the case may be, on the one hand and the Joint Bookrunners and Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering of the Units subscribed for or purchased under the Underwriting Agreement (before deducting expenses) received by the Trustee-Manager or, the Sponsor, as the case may be bear to the total underwriting discounts and commissions received by the Joint Bookrunners and Underwriters with respect to the Units subscribed for or purchased under the Underwriting Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Trustee-Manager or the Sponsor on the one hand and the Joint Bookrunners and Underwriters on the other and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Underwriting Agreement also provides for the obligation of the Joint Bookrunners and Underwriters to subscribe or procure the subscription, and failing which to subscribe, for the Units in the Offering subject to certain conditions contained in the Underwriting Agreement.

The Underwriting Agreement may be terminated by the Joint Bookrunners and Underwriters at any time prior to payment being made for the Units, upon the occurrence of certain events, including, among others, certain force majeure events pursuant to the terms of the Underwriting Agreement.

Subscribers of the Units may be required to pay brokerage (and if so required, such brokerage will be up to 1.0% of the Offering Price) and applicable stamp duties, taxes and other similar charges (if any) in accordance with the laws and practices of the country of subscription, in addition to the Offering Price. No brokerage fees will be charged by the Joint Bookrunners and Underwriters to Dasin Retail Trust, the Trustee-Manager or the Sponsor.

The Joint Bookrunners and Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Each of the Joint Bookrunners and Underwriters and their respective affiliates may engage in transactions with, and perform services to, the Trustee-Manager, the Sponsor, Dasin Retail Trust and substantial Unitholders in the ordinary course of business and have engaged, and may in the future engage, in commercial banking, investment banking transactions and/or other commercial transactions with the Trustee-Manager, the Sponsor, Dasin Retail Trust and certain substantial Unitholders, for which they have received or made payment of, or may in the future receive or make payment of, customary compensation.

Without prejudice to the generality of the foregoing, Haitong International Securities (Singapore) Pte. Ltd., a Joint Bookrunner and Underwriter, and the Haitong Investor, a Cornerstone Investor, are members of the Haitong International Securities Group Limited, which is listed on the Hong Kong Stock Exchange (stock code: 665).

The Joint Bookrunners and Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of Dasin Retail Trust. The Joint Bookrunners and Underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.
OVER-ALLOTMENT AND STABILISATION

Each of the Unit Lenders has granted the Over-Allotment Option to the Joint Bookrunners and Underwriters for the purchase of up to an aggregate of 9,343,300 Units at the Offering Price. The number of Units subject to the Over-Allotment Option will not be more than 6.2% of the number of Units under the Placement Tranche and the Public Offer. The Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may exercise the Over-Allotment Option in full or in part, on one or more occasions, only from the Listing Date but no later than the earlier of (i) the date falling 30 days from the Listing Date; and (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) has bought, on the SGX-ST, an aggregate of 9,343,300 Units, representing approximately 6.2% of the total number of Units in the Offering, to undertake stabilising actions to purchase up to an aggregate of 9,343,300 Units (representing approximately 6.2% of the total number of Units in the Offering), at the Offering Price. In connection with the Over-Allotment Option, the Stabilising Manager and each of the Unit Lenders have entered into a unit lending agreement (the “Unit Lending Agreement”) dated 13 January 2017 pursuant to which the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may borrow up to an aggregate of 9,343,300 Units from the Unit Lenders for the purpose of facilitating settlement of the over-allotment of Units in connection with the Offering. The Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will re-deliver to the Unit Lenders such number of Units which have not been purchased pursuant to the exercise of the Over-Allotment Option.

In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may, at its sole discretion, over-allot or effect transactions which stabilise or maintain the market price of the Units at levels which might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations, including the SFA and any regulations thereunder. Any resulting profit or loss (including any tax, duty, cost and expense arising from and in connection with such transactions) shall be for the account of the Stabilising Manager only.

None of the Trustee-Manager, the Sponsor, the Unit Lenders, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters or the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) makes any representation or prediction as to the magnitude of any effect that the transactions described above may have on the price of the Units. In addition, none of the Trustee-Manager, the Sponsor, the Unit Lenders, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters or the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) makes any representation that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice (unless such notice is required by law). The Stabilising Manager will be required to make a public announcement via SGXNET in relation to the total number of Units purchased by the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager), not later than 12 noon on the next trading day of the SGX-ST after the transactions are effected. The Stabilising Manager will also be required to make a public announcement through the SGX-ST in relation to the cessation of stabilising action and the number of Units in respect of which the Over-Allotment Option has been exercised not later than 8.30 a.m. on the next trading day of the SGX-ST after the cessation of stabilising action.
LOCK-UP ARRANGEMENTS

Family Trustee

Subject to the exceptions described below, the Family Trustee has on 13 January 2017 agreed with the Joint Bookrunners and Underwriters that it will not, without the prior written consent of the Joint Bookrunners and Underwriters (such consent not to be unreasonably withheld or delayed), directly or indirectly:

(a) offer, pledge, sell or contract to sell, grant any option to purchase, grant security over, swap, hedge, transfer encumber or otherwise dispose of any or all of its effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof);

(b) enter into any transaction (including a derivative transaction) with a similar economic effect to the foregoing;

(c) deposit any or all of its effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof) in any depository receipt facility;

(d) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(e) publicly announce any intention to do any of the above,
during the First Lock-up Period, and the same restrictions will apply in respect of the Family Trustee’s direct or indirect effective interest in 50.0% of the Lock-up Units during the Second Lock-up Period.

The restrictions described in the preceding paragraph do not apply to prohibit the Family Trustee from being able to:

• create a charge over the Lock-up Units or otherwise grant security over or create any encumbrance over the Lock-up Units, provided that such charge, security or encumbrance can only be enforced in respect of not more than 50.0% of the Lock-up Units after the end of the First Lock-up Period, or (as the case may be) in respect of all of the Lock-up Units after the Second Lock-up Period;

• enter into any securities lending arrangement with the Joint Bookrunners and Underwriters or any sale or transfer of the Lock-up Units by Aqua Wealth pursuant to the exercise of an over-allotment option granted by Aqua Wealth to the Joint Bookrunners and Underwriters; or

• transfer any such Lock-up Units to and between wholly-owned subsidiaries of the Family Trustee, provided that the Family Trustee has procured that such subsidiary has executed and delivered to the Joint Bookrunners and Underwriters an undertaking to the effect that such subsidiary will undertake to comply with the foregoing restrictions, to remain in effect for the remaining period of the First Lock-up Period and the Second Lock-up Period in relation to 50.0% of the Lock-up Units (as the case may be).

If, for any reason, the Offering is not completed by 31 January 2017, the lock-up arrangement described above will be terminated.
Zhang Zhencheng

Subject to the exceptions described below, Zhang Zhencheng, as the guardian of Zhang Chon Meng (the sole beneficiary of the Zhang Family Trust), has on 13 January 2017 agreed with the Joint Bookrunners and Underwriters that Zhang Chon Meng will not, without the prior written consent of the Joint Bookrunners and Underwriters (such consent not to be unreasonably withheld or delayed), directly or indirectly:

(a) offer, pledge, sell or contract to sell, grant any option to purchase, grant security over, swap, hedge, transfer, encumber or otherwise dispose of any or all of his effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof);

(b) enter into any transaction (including a derivative transaction) with a similar economic effect to the foregoing;

(c) deposit any or all of his effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof) in any depository receipt facility;

(d) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(e) publicly announce any intention to do any of the above,
during the First Lock-up Period, and the same restrictions will apply in respect of Zhang Zhencheng's direct or indirect effective interest in 50.0% of the Lock-up Units during the Second Lock-up Period.

The restrictions described in the preceding paragraph do not apply to prohibit Zhang Zhencheng, as the guardian of Zhang Chon Meng, from being able to:

• create a charge over the Lock-up Units or otherwise grant security over or create any encumbrance over the Lock-up Units, provided that such charge, security or encumbrance can only be enforced in respect of not more than 50.0% of the Lock-up Units after the end of the First Lock-up Period, or (as the case may be) in respect of all of the Lock-up Units after the Second Lock-up Period; or

• transfer any Lock-up Units to and between wholly-owned companies of the Family Trustee or the subsidiaries of the wholly-owned companies of Zhang Chon Meng (whether through the Zhang Family Trust or otherwise) (each, an “Entity”), provided that he has procured that such Entity has executed and delivered to the Joint Bookrunners and Underwriters an undertaking to the effect that it will undertake to comply with the foregoing restrictions, to remain in effect for the remaining period of the First Lock-up Period and the Second Lock-up Period in relation to 50.0% of the Lock-up Units (as the case may be).

In addition, Zhang Zhencheng further undertakes as settlor of the Zhang Family Trust that from the Listing Date until the end of the Second Lock-up Period, he will not, without the prior written consent of the Joint Bookrunners and Underwriters (such consent not to be unreasonably withheld or delayed), exercise his powers as settlor to change the trustee of the Zhang Family Trust or terminate the Zhang Family Trust.

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If, for any reason, the Offering is not completed by 31 January 2017, the lock-up arrangement described above will be terminated.

**Aqua Wealth Holdings Limited**

Subject to the exceptions described below, Aqua Wealth has on 13 January 2017 agreed with the Joint Bookrunners and Underwriters that it will not, without the prior written consent of the Joint Bookrunners and Underwriters (such consent not to be unreasonably withheld or delayed), directly or indirectly:

(a) offer, pledge, sell or contract to sell, grant any option to purchase, grant security over, swap, hedge, transfer, encumber or otherwise dispose of any or all of its effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof);

(b) enter into any transaction (including a derivative transaction) with a similar economic effect to the foregoing;

(c) deposit any or all of its effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof) in any depository receipt facility;

(d) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(e) publicly announce any intention to do any of the above,

during the First Lock-up Period, and the same restrictions will apply in respect of Aqua Wealth’s direct or indirect effective interest in 50.0% of the Lock-up Units during the Second Lock-up Period.

The restrictions described in the preceding paragraph do not apply to prohibit Aqua Wealth from being able to:

- create a charge over the Lock-up Units or otherwise grant security over or create any encumbrance over the Lock-up Units, provided that such charge, security or encumbrance can only be enforced in respect of not more than 50.0% of the Lock-up Units after the end of the First Lock-up Period, or (as the case may be) in respect of all of the Lock-up Units after the end of the Second Lock-up Period;

- enter into any securities lending arrangement with the Joint Bookrunners and Underwriters or any sale or transfer of the Lock-up Units by Aqua Wealth pursuant to the exercise of the Over-Allotment Option; or

- transfer any Lock-up Units to and between wholly-owned subsidiaries of Aqua Wealth, provided that Aqua Wealth has procured that such subsidiary has executed and delivered to the Joint Bookrunners and Underwriters an undertaking to the effect that such subsidiary will undertake to comply with the foregoing restrictions, to remain in effect for the remaining period of the First Lock-up Period and the Second Lock-up Period in relation to 50.0% of the Lock-up Units (as the case may be).
For the avoidance of doubt, any equivalent units in Dasin Retail Trust returned to Aqua Wealth pursuant to any securities lending arrangement with the Joint Bookrunners and Underwriters shall be subject to the foregoing restrictions as if they were Lock-up Units.

If, for any reason, the Offering is not completed by 31 January 2017, the lock-up arrangements described above will be terminated.

**The Trustee-Manager**

Subject to the exceptions described below, the Trustee-Manager has on 13 January 2017 agreed with the Joint Bookrunners and Underwriters that it will not (and will not cause or permit Dasin Retail Trust to), without the prior written consent of the Joint Bookrunners and Underwriters (such consent not to be unreasonably withheld or delayed) during the First Lock-up Period, directly or indirectly:

(a) offer, pledge, issue, sell, contract to issue or sell, grant any option to purchase, grant security over, swap, hedge, transfer, encumber or otherwise dispose of any Units (or any securities convertible into or exchangeable for Units or part thereof or which carry rights to subscribe for or purchase any Units or part thereof);

(b) enter into any transaction (including a derivative transaction) with a similar economic effect to the foregoing;

(c) deposit any or all of its Units (or any securities convertible into or exchangeable for Units or part thereof or which carry rights to subscribe for or purchase Units or part thereof) in any depository receipt facility;

(d) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(e) publicly announce any intention to do any of the above.

The restrictions described in the preceding paragraph do not apply to prohibit the Trustee-Manager during the First Lock-up Period, from being able to issue: (i) the Units to be offered under the Offering, (ii) the Aqua Wealth Units, (iii) the Sino-Ocean Units, (iv) the Cornerstone Units and (v) the Units which will be issued to the Trustee-Manager from time to time in full or part payment of any fees payable to the Trustee-Manager under the Trust Deed.

If, for any reason, the Offering is not completed by 31 January 2017, the lock-up arrangements described above will be terminated.

**Distribution Waiver Lock-up**

Pursuant to the Distribution Waiver Undertakings, each of Aqua Wealth and Bounty Way has on 13 January 2017 agreed to the Distribution Waiver Lock-up pursuant to each of Aqua Wealth and Bounty Way will irrevocably and unconditionally undertake to remain as the holder of, and will not create encumbrances over, the Lock-up Distribution Units during the Distribution Waiver Period.

The restrictions in the Distribution Waiver Lock-up to be provided by Bounty Way do not apply to the transfer of its Lock-up Distribution Units to (i) the Family Trustee (in its capacity as trustee of the Zhang Family Trust) and/or one of the Family Trustee’s wholly-owned subsidiaries, and/or (ii) one or more of the wholly-owned subsidiaries of Bounty Way, at any time from the date falling one year after the Listing Date, provided that such transferee executes and delivers an undertaking to the Trustee-Manager that it will comply with the Distribution Waiver Undertaking till the end of the Distribution Waiver Period.
(See “Distributions – Distribution Waiver from Major Unitholders” and “Certain Agreements Relating to Dasin Retail Trust and the Properties – Distribution Waiver Undertakings” of this Prospectus for further details on the distribution waiver and lock-up arrangements.)

THE SGX-ST LISTING

Dasin Retail Trust has received a letter of eligibility from the SGX-ST for the listing and quotation of (i) the Aqua Wealth Units, (ii) the Sino-Ocean Units, (iii) all Units comprised in the Offering, (iv) the Cornerstone Units and (v) the Units which will be issued to the Trustee-Manager from time to time in full or part payment of the Trustee-Manager’s fees, on the Main Board of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, Dasin Retail Trust, the Trustee-Manager or the Units. It is expected that the Units will commence trading on the SGX-ST on a “ready” basis on or about 20 January 2017.

Prior to this Offering, there has been no trading market for the Units. There can be no assurance that an active trading market will develop for the Units, or that the Units will trade in the public market subsequent to this Offering at or above the Offering Price. (See “Risk Factors – Risks Relating to an Investment in the Units – The Units have never been publicly traded and the Offering may not result in an active or liquid market for the Units.” of this Prospectus for further details.)

DISTRIBUTION AND SELLING RESTRICTIONS

None of the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager or the Joint Bookrunners and Underwriters has taken any action, or will take any action, in any jurisdiction other than Singapore that would permit a public offering of Units, or the possession, circulation or distribution of this Prospectus or any other material relating to the Offering in any jurisdiction other than Singapore where action for that purpose is required.

Accordingly, each purchaser of the Units may not offer or sell, directly or indirectly, any Units and may not distribute or publish this Prospectus or any other offering material or advertisements in connection with the Units in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

Each purchaser of the Units is deemed to have represented and agreed that it will comply with the selling restrictions set out below for each of the following jurisdictions:

Selling Restrictions

Australia

This document and the offer is only made available in Australia to persons to whom a disclosure document is not required to be given under either Chapter 6D or Chapter 7.9 of the Australian Corporations Act 2001 (Cth) (the “Corporations Act”). This document is not a prospectus, product disclosure statement or any other form of formal “disclosure document” for the purposes of Australian law, and is not required to, and does not, contain all the information which would be required in a disclosure document under Australian law. It is made available to you on the basis that you are a professional investor or sophisticated investor for the purposes of Chapter 6D, and a wholesale client for the purposes of Chapter 7.9, of the Corporations Act.
If you acquire the Units in Australia, then you:

(a) represent and warrant that you are a professional or sophisticated investor;

(b) represent and warrant that you are a wholesale client; and

(c) agree not to sell or offer for sale any Units in Australia within 12 months from the date of their issue under the Offering, except in circumstances where:

(i) disclosure to investors would not be required under either Chapter 6D or Chapter 7.9 of the Corporations Act; or

(ii) such sale or offer is made pursuant to a disclosure document which complies with either Chapter 6D or Chapter 7.9 of the Corporations Act.

This document has not been and will not be lodged or registered with the Australian Securities and Investments Commission or ASX Limited or any other regulatory body or agency in Australia. The persons referred to in this document may not hold Australian Financial Services licences. No cooling off regime will apply to an acquisition of any interest in Dasin Retail Trust.

This document does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to this document, you should assess whether the acquisition of any interest in Dasin Retail Trust is appropriate in light of your own financial circumstances or seek professional advice.

Canada

The Units will not be qualified for sale under the securities laws of any province or territory of Canada. The Units may only be offered, sold or distributed, directly or indirectly, in or to or for the benefit of a resident of a province of Canada pursuant to an exemption from the requirement to file a prospectus in such province and only through a dealer duly registered under the applicable securities laws of such province in circumstances where no exemption from the applicable registered dealer requirement is available.

Hong Kong

WARNING: The contents of this Prospectus are not a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the “CWUMPO”), and this Prospectus is not required to be authorised under Section 103 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”).

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong, and no action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any document issued in connection with it. You are advised to exercise caution in relation to the Offering. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.

This Prospectus has not been approved by the Securities and Futures Commission in Hong Kong, and accordingly, (i) the Units have not been and will not be offered or sold in Hong Kong by means of this Prospectus or any other document other than (a) to “professional investors” as defined in the SFO and any rules made thereunder or (b) in other circumstances that do not result in the document being a “prospectus” as defined in the CWUMPO or that do not constitute an offer to the public within the meaning of the CWUMPO and (ii) no advertisement, invitation or document relating to the Units has been or will be issued in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if
permitted to do so under the securities laws of Hong Kong), other than with respect to the Units that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under the SFO.

**Korea**

A registration statement for the offering and sale of the Units has not been filed under the Financial Investment Services and Capital Markets Act (the “FSCMA”).

Each purchaser of the Units hereunder will be deemed to have represented and agreed as follows:

(a) the Units may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law), except as otherwise permitted under applicable Korean laws and regulations; and

(b) It understands that the Units will, unless otherwise agreed by the Issuer, bear a legend substantially to the following effect:

A REGISTRATION STATEMENT FOR THE OFFERING AND SALE OF THE UNITS HAS NOT BEEN FILED UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT (THE “FSCMA”). ACCORDINGLY, THE UNITS MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA (AS SUCH TERM IS DEFINED UNDER THE FOREIGN EXCHANGE TRANSACTION LAW), EXCEPT AS OTHERWISE PERMITTED UNDER APPLICABLE KOREAN LAWS AND REGULATIONS.

**Malaysia**

Nothing in this Prospectus constitutes the making available, or offer for subscription or purchase, or invitation to subscribe for or purchase, or sale, of the Units in Malaysia. No approval of, or recognition by, the Securities Commission of Malaysia has been or will be obtained for the making available, offer for subscription or purchase, or invitation to subscribe for or purchase, or sale, of the Units to any persons in Malaysia. Accordingly, the Units will only be made available or offered or sold exclusively to persons outside Malaysia. Neither this Prospectus nor any disclosure document has been or will be registered or deposited with the Securities Commission of Malaysia, on the basis that the Units will not be made available, offered or sold in Malaysia. This Prospectus may not be circulated or distributed in Malaysia, whether directly or indirectly, for the purpose of making available, or offer for subscription or purchase, or invitation to subscribe for or purchase, or sale, of the Units in Malaysia.

**PRC**

The Units may not be offered or sold, and will not be offered or sold to any person in PRC as part of the initial distribution of the Units, except pursuant to applicable laws and regulations of PRC. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities in PRC to any person to whom it is unlawful to make the offer or solicitation in PRC.

The Trustee-Manager makes no representation that this Prospectus may be lawfully distributed, or that any Units may be lawfully offered, in compliance with any applicable registration or other requirements in PRC, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Trustee-Manager which would permit a public offering of any Units or distribution of this Prospectus in PRC. Accordingly, the Units are not being offered or sold within PRC by means
of this Prospectus or any other document. Neither this Prospectus nor any advertisement or other offering material may be distributed or published in PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

**Switzerland**

This Prospectus and any accompanying supplement does not constitute an issue prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issue prospectuses under article 652a or article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under article 27 ff. of the listing rules of the SIX Swiss Exchange or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

The Units will not be listed on the SIX Swiss Exchange Ltd. or on any other stock exchange or regulated trading facility in Switzerland.

The Units will not be distributed in or from Switzerland as defined by the Swiss Federal Act on Collective Investment Schemes (the “CISA”), and neither this Prospectus nor any other offering materials relating to the international units will be made available through distribution in or from Switzerland. The Units may only be acquired by (i) licensed financial institutions, (ii) regulated insurance institutions and (iii) other investors in a way which does not represent a distribution within the meaning of the CISA. Acquirers of Units (investors) do not benefit from protection under the CISA or supervision by the Swiss Financial Market Supervisory Authority ("FINMA").

Neither this Prospectus (including any accompanying supplement) nor any other offering or marketing material relating to the offering of the Units have been or will be filed with, registered or approved by any Swiss regulatory authority. In particular, we have not registered, and will not register with FINMA as a foreign collective investment scheme.

This Prospectus is personal to each specific offeree and does not constitute an offer to any other person. This Prospectus (and any other offering or marketing material relating to the Units or the offering of the Units) may only be used by those persons to whom it has been handed out in connection with the offer described therein and may neither be copied nor be distributed or otherwise made available to other persons, directly or indirectly, without our express consent.

**Taiwan**

The offering of the Units has not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan, the Republic of China through a public offering or in circumstances that constitute an offer within the meaning of the Act Governing Securities Investment Trust and Consulting Enterprises or the Securities and Exchange Act of Taiwan, the Republic of China that requires a registration or approval with the Financial Supervisory Commission of Taiwan, the Republic of China or a filing in Taiwan, the Republic of China. No person or entity in Taiwan, the Republic of China has been authorised to offer or sell the Units in Taiwan, the Republic of China.

**United States**

The Units have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Units are being offered and sold outside of the United States in reliance on Regulation S.
Transfer Restrictions

Each purchaser of the Units offered hereby in reliance on Regulation S will be deemed to have acknowledged, represented, warranted and agreed that it has received a copy of this document and such other information as it deems necessary to make an investment decision and that:

(a) it and the person, if any, for whose account it is acquiring the Units (or such subsequent purchaser, as the case may be) is aware and understands that the Units have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States;

(b) it and the person, if any, for whose account it is acquiring the Units (or such subsequent purchaser, as the case may be) (i) is located outside the United States (within the meaning of Regulation S); (ii) is not acquiring the Units for the account or benefit of a person in the United States; and (iii) is purchasing the Units in an offshore transaction meeting the requirements of Regulation S;

(c) it and the person, if any, for whose account it is acquiring the Units (or such subsequent purchaser, as the case may be) will not offer, sell, pledge or otherwise transfer any Units except (i) outside the United States in accordance with Regulation S; (ii) pursuant to another available exemption from the registration requirements of the Securities Act; or (iii) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable laws of any state of the United States and any other jurisdiction;

(d) if it is acquiring any of the Units as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and has full power to make the foregoing acknowledgments, representations, warranties and agreements on behalf of each such account;

(e) if any of the representations or warranties of the purchaser deemed to have been made by virtue of the purchase of the Units by it or any person for whose account it is acquiring Units is no longer accurate, it should promptly notify Dasin Retail Trust, the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager and the Joint Bookrunners and Underwriters;

(f) any offer, sale, pledge or other transfer made other than in compliance with the above-stated restrictions will not be recognised in respect of the Units; and

(g) Dasin Retail Trust, the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager and the Joint Bookrunners and Underwriters and others will rely upon the truth and accuracy of such purchaser’s acknowledgments, representations, warranties and agreements set forth above.

General

Each applicant for Units in the Offering will be deemed to have represented and agreed that it is relying on this Prospectus and not on any other information or representation not contained in this Prospectus and none of Dasin Retail Trust, the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters or any other person responsible for this Prospectus or any part of it will have any liability for any such other information or representation.
CLEARANCE AND SETTLEMENT

INTRODUCTION

A letter of eligibility has been obtained from the SGX-ST for the listing and quotation on the Mainboard of the SGX-ST of (i) the Aqua Wealth Units, (ii) Sino-Ocean Units, (iii) all Units comprised in the Offering, (iv) the Cornerstone Units and (v) the Units which will be issued to the Trustee-Manager from time to time in full or part payment of the Trustee-Manager’s fees. For the purpose of trading on the SGX-ST, a board lot for the Units will comprise 100 Units.

Upon listing and quotation on the SGX-ST, the Units will be traded under the electronic book-entry clearance and settlement system of CDP. All dealings in and transactions of the Units through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts, as amended from time to time.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the Securities Accounts maintained by such account holders with CDP.

CLEARANCE AND SETTLEMENT UNDER THE DEPOSITORY SYSTEM

The Units will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by CDP will be treated as Unitholders in respect of the number of Units credited to their respective Securities Accounts.

Transactions in the Units under the book-entry settlement system will be reflected by the seller’s Securities Account being debited with the number of Units sold and the buyer’s Securities Account being credited with the number of Units acquired and no transfer stamp duty is currently payable for the transfer of Units that are settled on a book-entry basis.

Units credited to a Securities Account may be traded on the SGX-ST on the basis of a price between a willing buyer and a willing seller. Units credited into a Securities Account may be transferred to any other Securities Account with CDP, subject to the terms and conditions for the operation of Securities Accounts and a S$10.00 transfer fee payable to CDP. All persons trading in the Units through the SGX-ST should ensure that the relevant Units have been credited into their Securities Account, prior to trading in such Units, since no assurance can be given that the Units can be credited into the Securities Account in time for settlement following a dealing. If the Units have not been credited into the Securities Account by the due date for the settlement of the trade, the buy-in procedures of the SGX-ST will be implemented.

CLEARING FEE

A clearing fee for the trading of Units on the SGX-ST is payable at the rate of 0.0325% of the transaction value. The clearing fee, deposit fee and unit withdrawal fee may be subject to the prevailing GST.

Dealings in the Units will be carried out in Singapore dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal “ready” basis on the SGX-ST generally takes place on the third Market Day following the transaction date. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with any CDP depository agent. A CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.
EXPERTS

Deloitte & Touche LLP, the Reporting Accountant, were responsible for preparing the Reporting Accountant’s Report on the Profit Forecast and Profit Projection and the Reporting Accountant’s Report on the Compilation of the Unaudited Pro Forma Financial Information of Dasin Retail Trust and its subsidiaries for the Financial Years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016 for the purpose of incorporation as Appendix A and Appendix B to this Prospectus respectively.

Ernst & Young Solutions LLP, the Independent Tax Adviser, was responsible for preparing the Independent Taxation Report for the purpose of incorporation in Appendix D to this Prospectus.

Savills Valuation and Professional Services Limited and Colliers International (Hong Kong) Ltd, the Independent Valuers, were responsible for preparing the Independent Property Valuation Summary Reports for the purpose of incorporation in Appendix E to this Prospectus.

Beijing CBRE Property Management Services Limited Shanghai Branch, the Independent Market Research Consultant, was responsible for preparing the Independent Market Research Report for the purpose of incorporation in Appendix F to this Prospectus.

The Reporting Accountant, Independent Tax Adviser, Independent Valuers and Independent Market Research Consultant have each given and have not withdrawn their written consents to the issuance of this Prospectus with the inclusion herein of their names and their respective write-ups and reports and all references thereto in the form and context in which they respectively appear in this Prospectus, and to act in such capacity in relation to this Prospectus.

None of WongPartnership LLP or Allen & Gledhill LLP makes, or purports to make, any statement in this Prospectus and none of them is aware of any statement in this Prospectus which purports to be based on a statement made by it and it makes no representation, express or implied, regarding, and takes no responsibility for, any statement in or omission from this Prospectus.

Save for the statements attributed to JunZeJun Law Offices in the sections “Overview – Overview of the Acquisition of the Initial Portfolio”, “Risk Factors” and “Overview of Relevant Laws and Regulations in PRC”, JunZeJun Law Offices does not make, or purports to make, any statement in this Prospectus and it is not aware of any statement in this Prospectus which purports to be based on a statement made by it and it makes no representation, express or implied, regarding, and takes no responsibility for, any statement in or omission from this Prospectus.

Save for the statements attributed to King & Wood Mallesons in the sections “Overview – Overview of the Acquisition of the Initial Portfolio”, “Risk Factors” and “Overview of Relevant Laws and Regulations in PRC”, King & Wood Mallesons does not make, or purports to make, any statement in this Prospectus and it is not aware of any statement in this Prospectus which purports to be based on a statement made by it and it makes no representation, express or implied, regarding, and takes no responsibility for, any statement in or omission from this Prospectus.
RESPONSIBILITY STATEMENT BY THE DIRECTORS

(1) The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Offering, Dasin Retail Trust and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Prospectus misleading, and the Directors are satisfied that the Profit Forecast and Profit Projection contained in “Profit Forecast and Profit Projection” of this Prospectus have been stated after due and careful enquiry. Where information in the Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

MATERIAL BACKGROUND INFORMATION

(2) None of Dasin Retail Trust and its subsidiaries is engaged in any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or which have had in the 12 months immediately preceding the date of this Prospectus, a material effect on the financial position or the profitability of Dasin Retail Trust.

The Trustee-Manager, as trustee-manager of Dasin Retail Trust, and Mr. Zhang Zhencheng, the Chairman and Non-Executive Director, have received correspondence from a law firm representing a consultancy firm seeking confirmations that a certain success fee will be paid to the consultancy firm out of the proceeds from the Offering, based on an agreement dated 15 October 2014. The agreement was entered into between the consultancy firm and (amongst others) an indirect wholly-owned subsidiary of the Sponsor (the “Sponsor Subsidiary”). The Trustee-Manager had not entered into the aforesaid agreement (which pre-dates the incorporation of the Trustee-Manager and the formation of the Dasin Retail Trust). The Trustee-Manager considers that it is under no obligation to make any payment to the consultancy firm out of the proceeds of the Offering, and will not be doing so. Further, the Trustee-Manager has obtained legal advice from its solicitors, WongPartnership LLP, and considers it baseless and without merit for the consultancy firm to assert that the Trustee-Manager has any obligation in this regard.

In addition, the Sponsor has agreed to indemnify the Trustee-Manager and Dasin Retail Trust against any damages suffered by the Trustee-Manager or Dasin Retail Trust in relation to professionals (including advisors and business consultants) engaged by the Sponsor (or its subsidiaries) in connection with the Listing. (See “Certain Agreements Relating to Dasin Retail Trust and the Properties – Dasin Licence Agreement” for further details on the indemnity provided by the Sponsor.) If Dasin Retail Trust and/or the Trustee-Manager were to be included as a party to any dispute relating to the aforesaid agreement, the Sponsor confirms that this indemnity shall apply.

The Trustee-Manager has been informed by the Sponsor that the Sponsor Subsidiary has initiated arbitration proceedings against the consultancy firm to resolve disputes between them in relation to the agreement mentioned above. The Trustee-Manager and Sponsor are of the view that the arbitration proceedings would not have any material adverse impact on Dasin Retail Trust, including its financial condition, results of operation or cash flow as well as the ability of Dasin Merchant Investment to fulfil its obligations under the Master Lease Agreements, and the other obligations of the Sponsor and Trustee-Manager with respect to Dasin Retail Trust.
(3) Save as disclosed in this document, there is no governmental law, decree or regulatory requirement or any other requirement which may affect the repatriation of capital and the remittance of profits by or to the Trustee-Manager.

(4) None of the Directors or Executive Officers is or was involved in any of the following events:

(i) at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;

(ii) at any time during the last 10 years, an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

(iii) any unsatisfied judgment against him;

(iv) a conviction of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;

(v) a conviction of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;

(vi) at any time during the last 10 years, judgment been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;

(vii) a conviction in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

(viii) disqualification from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

(ix) any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

(x) to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

(a) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
(b) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

(c) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(d) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

(xi) the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Mr. Yang Bin

After graduating from Guangdong Business School, PRC, Mr. Yang Bin joined China Aviation Oil Holding, a PRC state-owned enterprise, where he held various roles, including Deputy General Manager of Guangdong South China Bluesky Aviation Oil Co. Ltd, a joint venture between China Aviation Oil Singapore Holding Company and BP Oil.

In 2003, Mr. Yang was posted by China Aviation Oil Singapore Holding Company to Singapore to work for its Singapore subsidiary, China Aviation Oil (Singapore) Co. Ltd. (“CAO”) which was listed on the SGX-ST, as the assistant to the chief executive officer of CAO. At that time, the chief executive officer of CAO was Mr. Chen Jiulin.

Between 2003 and 2004, Mr. Yang’s role as the assistant to the chief executive officer was to assist Mr. Chen Jiulin, in the investment arm of CAO where his job scope focused predominantly on equity investments and mergers and acquisitions on oil and gas assets. According to Mr. Yang, he was not involved in the management or operations of the trading arm of CAO.

In October 2004, Mr. Yang, acting in his capacity as the assistant to the chief executive officer, assisted the Commercial Affairs Department (“CAD”) in its investigations into the trading activities of CAO conducted by Mr. Chen Jiulin. On or around the same time, Mr. Yang also assisted PricewaterhouseCoopers LLP (“PwC”) which CAO appointed (at the direction of the SGX-ST) in its investigations on the circumstances leading to the option losses at CAO.

Mr. Yang was not the subject of the foregoing investigations by the CAD and PwC and following the aforementioned interviews, he was not required by either authority or party to provide any further assistance on the matters for which he was interviewed. No action had been taken against Mr. Yang as well.

Mr. Tan Huay Lim

On 23 March 2009, Mr. Tan Huay Lim was interviewed by the CAD in his capacity as a member of the Management Committee of Ren Ci Hospital and Medical Centre in connection with their investigations in the affairs of Ren Ci Hospital and Medical Centre. For the avoidance of doubt, Mr. Tan was not the subject of the foregoing investigations. Following the interview, Mr. Tan has since not been required by the CAD to provide any
further assistance in the matter for which he was interviewed for. Ren Ci Hospital and Medical Centre, which was registered as a society under the Societies Act, Chapter 311 of Singapore, was dissolved on 31 March 2013.

MATERIAL CONTRACTS

(5) The dates of, parties to, and general nature of every material contract which the Trustee-Manager has entered into within the two years preceding the date of this Prospectus (not being contracts entered into in the ordinary course of the business of Dasin Retail Trust) are as follows:

(i) the Trust Deed;
(ii) the Sponsor ROFR;
(iii) the Distribution Waiver Undertakings;
(iv) the Sale and Purchase Agreements;
(v) the Shiqi Framework Agreement;
(vi) the Doumen Purchase Option;
(vii) the Property Management Agreements;
(viii) the Commercial Management Agreements;
(ix) the Dasin Licence Agreement;
(x) the Xiaolan Master Lease Agreement; and
(xi) the Dasin E-Colour Master Lease Agreements.

DOCUMENTS FOR INSPECTION

(6) Copies of the following documents are available for inspection at the registered office of the Trustee-Manager at 8 Marina Boulevard #14-02 Marina Bay Financial Centre Tower 1 Singapore 018981, for a period of six months from the date of this Prospectus (prior appointment would be appreciated):

(i) the material contracts referred to in paragraph 5 above, save for the Trust Deed (which will be available for inspection for so long as Dasin Retail Trust is in existence);
(ii) the Reporting Accountant’s Report on the Profit Forecast and Profit Projection as set out in Appendix A to this Prospectus;
(iii) the Reporting Accountant’s Report on the Compilation of the Unaudited Pro Forma Financial Information of Dasin Retail Trust and its subsidiaries for the Financial Years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the Six-Month Periods ended 30 June 2015 and 30 June 2016 as set out in Appendix B to this Prospectus;
(iv) the Unaudited Pro Forma Financial Information as set out in Appendix C to this Prospectus;
(v) the Independent Taxation Report as set out in Appendix D to this Prospectus;
(vi) the Independent Property Valuation Summary Reports as set out in Appendix E to this Prospectus as well as the full valuation reports for each of the Properties;

(vii) the Independent Market Research Report set out in Appendix F to this Prospectus;

(viii) the written consents of the Reporting Accountant, the Independent Tax Adviser, the Independent Valuers and the Independent Market Research Consultant (See “Experts” of this Prospectus for further details);

(ix) the Cornerstone Subscription Agreements entered into between the Trustee-Manager and the Cornerstone Investors to subscribe for the Cornerstone Units; and

(x) the Depository Services Terms and Conditions.

CONSENT OF THE SOLE FINANCIAL ADVISER, GLOBAL COORDINATOR AND ISSUE MANAGER AND THE JOINT BOOKRUNNERS AND UNDERWRITERS

(7) DBS Bank Ltd. has given and not withdrawn its written consent to being named in this Prospectus as the Sole Financial Adviser, Global Coordinator and Issue Manager and the Joint Bookrunners and Underwriters for the Offering.

(8) Bank of China Limited, Singapore Branch, has given and not withdrawn its written consent to being named in this Prospectus as the Joint Bookrunners and Underwriters for the Offering.

(9) Haitong International Securities (Singapore) Pte. Ltd. has given and not withdrawn its written consent to being named in this Prospectus as the Joint Bookrunners and Underwriters for the Offering.

APPROVALS AND WAIVERS FROM THE SGX-ST

(10) The Trustee-Manager has obtained from the SGX-ST the following clarifications:

(a) The SGX-ST has no objections to the remaining length of leases of the Initial Portfolio being less than 30 years for the purposes of compliance with Rule 222(1) of the Listing Manual.

(b) The SGX-ST has no further comments on Dasin Retail Trust's compliance with Rule 409(3), which requires the annual accounts of Dasin Retail Trust for each of the last three financial years to be submitted to the SGX-ST together with the application to the SGX-ST for the listing of Dasin Retail Trust.

(11) The Trustee-Manager has obtained from the SGX-ST waivers from compliance with the following listing rules under the Listing Manual:

(a) Rule 404(3)(a) and (c), which require an investment trust to (i) limit its investments in companies which are related to the investment fund’s substantial shareholders, investment managers or management companies, to a maximum of 10.0% of gross assets; and (ii) restrict investments in unlisted securities to 30.0% of gross assets, subject to compliance with Chapter 9 of the Listing Manual and the BTA;

(b) Rule 404(5), which requires the Trustee-Manager to be reputable and have an established track record in managing investments;

(c) Rule 407(4), which requires the listing application to contain the financial track record of the investment manager, the investment adviser and persons employed by them;
(d) Rule 705(1), which requires Dasin Retail Trust to announce its financial statements for the full financial year immediately after the figures are available, but in any event not later than 60 days after the relevant reporting period, subject to Dasin Retail Trust making its first financial results announcement for the period from the Listing Date to 31 March 2017;

(e) Rule 748(1), which requires an investment fund to announce via SGXNET its net tangible assets per Unit on a weekly basis, subject to Dasin Retail Trust announcing its net asset value per Unit on a quarterly basis via SGXNET; and

(f) Rule 748(3), which requires an investment fund to disclose certain information in its annual report.

APPROVALS AND WAIVERS FROM THE MAS

(12) The MAS has granted the Trustee-Manager waiver from compliance with paragraphs 2 to 22 of Part X, paragraphs 1 to 5 of Part IV and paragraphs 2 to 4 of Part VI of the Fourth Schedule of the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005, subject to the following conditions:

(a) Dasin Retail Trust has been registered by the MAS as a registered business trust under section 4(1) of the BTA as at the date of the Offering; and

(b) the following information is included in the Prospectus:

(i) the unaudited pro forma financial information of the Group, comprising pro forma financial statements of the following:

(A) the comprehensive income of the Group in respect of each completed financial year ending on 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended on 30 June 2015 and 30 June 2016

(B) the financial position of the Group as at 31 December 2015 and 30 June 2016; and;

(C) the cash flows of the Group in respect of each completed financial year ending on 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016; and

(ii) the profit forecast for the financial year from 1 January 2017 to the end of the financial year ending 31 December 2017 and profit projection for the full financial years ending 31 December 2018 including the financial information of Shiqi Metro Mall on the basis that the acquisition of Shiqi Metro Mall will be completed on 30 June 2017.
MISCELLANEOUS

(13) The financial year end of Dasin Retail Trust is 31 December. The annual audited financial statements of Dasin Retail Trust will be prepared and sent to Unitholders within four months of the financial year-end and at least 14 days before the annual general meeting of the Unitholders.

(14) While Dasin Retail Trust is listed on the SGX-ST, investors may check the SGX-ST website http://www.sgx.com for the prices at which Units are being traded on the SGX-ST. Investors may also check one or more major Singapore newspapers such as The Straits Times, The Business Times and Lianhe Zaobao, for the price range within which Units were traded on the SGX-ST on the preceding day.

(15) There have been no public take-over offers by third parties in respect of the Units or by the Trustee-Manager in respect of the shares of a corporation or the units of another business trust which have occurred between the beginning of the most recent completed Financial Year and the Latest Practicable Date.

(16) Save as disclosed elsewhere in this Prospectus, there is no arrangement or understanding with a substantial shareholder of the Trustee-Manager, Substantial Unitholder, customer or supplier of the Trustee-Manager, pursuant to which any Director or any Executive Officer was selected as a Director or Executive Officer.

(17) There is no known arrangement, the operation of which may at a subsequent date, result in a change of control of Dasin Retail Trust or the Trustee-Manager.

(18) Save as disclosed under the sections “Risk Factors”, “Capitalisation and Indebtedness”, “Profit Forecast and Profit Projection”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business and Properties” of this document, the financial condition and operations of Dasin Retail Trust is not likely to be affected by any of the following:

a. known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in Dasin Retail Trust’s liquidity increasing or decreasing in any material way;

b. material commitments for capital expenditure;

c. unusual or infrequent events or transactions or any insignificant economic changes that materially affect the amount of reported income from operations; and

d. known trends or uncertainties that have had or that Dasin Retail Trust reasonably expects will have a material favourable or unfavourable impact on revenues or operating income.

(19) Due to the nature of the business of Dasin Retail Trust, an order book is not maintained.
GLOSSARY

Group Entities and Related Management Companies

Commercial Manager Zhongshan Commercial Property Management Co., Ltd. (中山市大信商用物业管理有限公司), the commercial manager of Dasin Retail Trust

Dasin Retail Trust Group Dasin Retail Trust and its subsidiaries

PRC Property Companies The property companies in PRC, namely, Xinteng Commercial, Xinrui Commercial and Zhongshan Yuanxin, which directly own 100.0% of the interests in Dasin E-Colour, Xiaolan Metro Mall and Ocean Metro Mall respectively, and each a “PRC Property Company”

Rental Management Companies Xiaolan Xinduhui and Yicai Xinduhui, the rental management companies of Xiaolan Metro Mall and Dasin E-Colour respectively

Shiqi Holdco The Singapore holding company that will be incorporated by Mr. Zhang Zhencheng under the Shiqi Framework Agreement, which will in turn incorporate two wholly-owned subsidiaries, one of which will be used to acquire the Shiqi PRC Property Company and the other subsidiary will be used to acquire the Shiqi Rental Management Company, a wholly-owned subsidiary of Dasin Management and Investment

Shiqi PRC Property Company Zhongshan Xin Kong Commercial Management Co., Ltd. (中山市信控商业管理有限公司), the project company established by Dasin Management and Investment to hold Shiqi Metro Mall

Shiqi Rental Management Company Zhongshan Shiqi Dasin Xinduhui Commercial Management Co., Ltd. (中山市石岐大信新都汇商业管理有限公司), the rental management company of Shiqi Metro Mall

Singapore HoldCo Singapore Dasin Commercial Holdings Pte. Ltd., a wholly-owned subsidiary of Dasin Retail Trust

Singapore Holding Companies The Singapore-incorporated intermediate Singapore holding companies, namely:

(i) Yi Xin Investments Pte. Ltd., Lan Xin Investments Pte. Ltd. and Yuan Xin Investments Pte. Ltd., which hold (via Xinteng Commercial, Xinrui Commercial and Zhongshan Yuanxin respectively) a 100.0% of the interests in each of the PRC Property Companies owning Dasin E-Colour, Xiaolan Metro Mall and Ocean Metro Mall respectively; and
(ii) Yi Xin Management Pte. Ltd. and Lan Xin Management Pte. Ltd., which hold a 100.0% of the interests in the Rental Management Company of Dasin E-Colour and the Rental Management Company of Xiaolan Metro Mall respectively,

and each a “Singapore Holding Company”

Trustee-Manager

Dasin Retail Trust Management Pte. Ltd., the trustee-manager of Dasin Retail Trust

Xiaolan Xinduhui or Xiaolan Master Lessor

Zhongshan Xiaolan Dasin Xinduhui Commercial Management Co., Ltd. (中山市小榄大信新都汇商业管理有限公司), the Rental Management Company of Xiaolan Metro Mall

Xinrui Commercial

Zhongshan Xinrui Commercial Management Co., Ltd. (中山市信瑞商业管理有限公司), the PRC Property Company of Xiaolan Metro Mall

Xinteng Commercial

Zhongshan Xinteng Commercial Management Co., Ltd. (中山市信腾商业管理有限公司), the PRC Property Company of Dasin E-Colour

Yicai Xinduhui

Zhongshan Yicai Dasin Xinduhui Commercial Management Co., Ltd. (中山市溢彩大信新都汇商业管理有限公司), the Rental Management Company of Dasin E-Colour

Zhongshan Yuanxin

Zhongshan Yuanxin Commercial Property Management Co., Ltd. (中山市远信商用物业管理有限公司), the PRC Property Company of Ocean Metro Mall

Other Corporations and Agencies

Aqua Wealth

Aqua Wealth Holdings Limited, an indirect wholly-owned subsidiary of the Zhang Family Trust

Authority or MAS

Monetary Authority of Singapore

Bounty Way

Bounty Way Investments Limited, an indirect wholly-owned subsidiary of Sino-Ocean

CDP

The Central Depository (Pte) Limited

CSRC

China Securities Regulatory Commission

Dasin Food Services

Zhongshan Dasin Food Services Co., Ltd. (中山市大信餐饮服务有限公司), a company which has 80.0% of its interests held by Dasin Merchant Investment and the remaining 20.0% of its interests held by an independent third party unrelated to the Zhang Family or the Sponsor
Dasin Management and Investment
Zhongshan Dasin Management and Investment Co., Ltd. (中山市大信管理投资有限公司), a company that is wholly-owned by the Zhang Vendors

Dasin Merchant Investment or Xiaolan Master Lessee
Zhongshan Dasin Metro-Mall Merchant Investment Co., Ltd. (中山市大信新都汇商业投资有限公司), a company that is wholly-owned by the Zhang Vendors through Dasin Management and Investment

Dasin Property Investment
Zhongshan Dasin Property Investment Co., Ltd. (中山市大信房地产投资有限公司), a company which has 70.0% of its interests held by the Sponsor and the remaining 30.0% of its interests held by an independent third party unrelated to the Zhang Family or the Sponsor

Family Trustee
DBS Trustee Limited, as the trustee of the Zhang Family Trust

ICBC
Industrial and Commercial Bank of China Limited, Zhongshan Branch (中国工商银行中山分行)

Independent Market Research Consultant or CBRE
Beijing CBRE Property Management Services Limited Shanghai Branch

Independent Tax Adviser
Ernst & Young Solutions LLP

Independent Valuers
Savills Valuation and Professional Services Limited and Colliers International (Hong Kong) Ltd

IRAS
Inland Revenue Authority of Singapore

Joint Bookrunners and Underwriters

MOFCOM
Ministry of Commerce of PRC (中华人民共和国商务部)

MOHURD
Ministry of Housing and Urban-Rural Development of PRC (中华人民共和国住房和城乡建设部)

NDRC
National Development and Reform Commission of PRC (中华人民共和国国家发展和改革委员会)

Participating Banks
DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited

PBOC
People’s Bank of China (中国人民银行)

Property Manager
Zhongshan Jixin Property Management Co., Ltd. (中山市基信物业管理有限公司), the property manager of Dasin Retail Trust

Reporting Accountant
Deloitte & Touche LLP
| **SAFE** | State Administration of Foreign Exchange of PRC (国家外汇管理局) |
| **SAIC** | State Administration of Industry and Commerce of PRC (中华人民共和国国家工商行政管理总局) |
| **SGX-ST** | Singapore Exchange Securities Trading Limited |
| **Sino-Ocean** | Sino-Ocean Group Holding Limited (formerly known as “Sino-Ocean Land Holdings Limited”) |
| **Sole Financial Adviser, Global Coordinator and Issue Manager** | DBS Bank Ltd. |
| **Sponsor** | Zhongshan Dasin Real Estate Co., Ltd. (中山市大信置业有限公司), the sponsor of Dasin Retail Trust |
| **Sponsor Group** | The Sponsor, its existing or future subsidiaries, as well as its affiliates, being Dasin Management and Investment and Dasin Merchant Investment |
| **Unit Registrar** | Boardroom Corporate & Advisory Services Pte. Ltd. |
| **Xin He Commercial** | Zhongshan Dasin Xin He Commercial Co., Ltd. (中山市大信信和商业股份有限公司), a company which has 63.0%, 2.0%, 18.0% and 17.0% of its interests held by Dasin Management and Investment, Zhongshan Xin He Commercial Chain Co., Ltd. (中山市信和商业连锁有限公司) ("Xin He Commercial Chain"), Mr. Zhang Kaicheng (an associate of Mr. Zhang Zhencheng, the Chairman and Non-Executive Director of the Trustee-Manager) and an independent third party unrelated to the Zhang Family or the Sponsor respectively |
| **Xin He Commercial Chain** | Zhongshan Xin He Commercial Chain Co., Ltd. (中山市信和商业连锁有限公司), a company which has 37.5% and 50.0% of its interests held by Mr. Zhang Kaicheng and the Sponsor respectively, with the remaining 12.5% held by an independent third party unrelated to the Zhang Family or the Sponsor |
| **Xin He Property Investment** | Zhongshan Xin He Property Investment Co., Ltd. (中山市信和物业投资有限公司), a company which is wholly owned by Zhongshan Dasin Xin He Commercial Co., Ltd. (中山市信和商业股份有限公司) |
| **Yi Cai Dasin Food** | Zhongshan Yi Cai Dasin Food Services Co., Ltd. (中山市溢彩大信餐饮服务有限公司), a company which is wholly owned by Dasin Food Services |
| **Yuan Yang Dasin Food** | ZhongshanYuan Yang Dasin Food Services Co., Ltd. (中山市远洋大信餐饮服务有限公司), a company which is wholly owned by Dasin Food Services |
Zhongshan Boxin Property Development

Zhongshan Boxin Property Development Co., Ltd. (中山市博信房地产开发有限公司), a company which has 49.0% of its interests held by Dasin Property Investment, with the remaining 51.0% held by an independent third party unrelated to the Zhang Family or the Sponsor

Legislations and Regulations

BTA or Business Trusts Act

Business Trusts Act, Chapter 31A of Singapore, as amended, modified or supplemented from time to time

Companies Act

Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time

Listing Manual

The provisions of Section A and B of the listing manual of the SGX-ST, as amended, modified or supplemented from time to time

Regulation S

Regulation S under the Securities Act, as amended, modified or supplemented from time to time

Securities Act

U.S. Securities Act of 1933, as amended, modified or supplemented from time to time

SF BT Regulations

Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005, as amended, modified or supplemented from time to time

SFA

Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time

General

Application Forms

The printed application forms to be used for the purpose of the Offering and which form part of this Prospectus as referred to in “Appendix G – Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore” of this Prospectus

Application List

The list of applicants subscribing for Units which are the subject of the Public Offer

Aqua Wealth Units

The 337,642,752 Units held by Aqua Wealth immediately prior to the date of this Prospectus

Associate

Has the meaning ascribed to it in the Listing Manual

Associated company

Has the meaning ascribed to it in the BTA

Associated entity

Has the meaning ascribed to it in the SF BT Regulations

ATM

Automated teller machine
Audit and Risk Committee
The audit and risk committee of the Board of the Trustee-Manager

Base Fee
The base fee, being a fee equal to:

(i) the rate of 0.25% per annum of the value of the Trust Property, if the value of the Trust Property is less than or equal to S$10.0 billion; or

(ii) the rate of 0.25% per annum of the value of the Trust Property up to S$10.0 billion plus the rate of 0.20% per annum of the value of the Trust Property which exceeds S$10.0 billion, if the value of the Trust Property is greater than S$10.0 billion.

For the purposes of calculating the Base Fee only, where Dasin Retail Trust undertakes property development activities, the value of the Trust Property shall not include the value of the investments in vacant land and uncompleted property developments by Dasin Retail Trust. For the avoidance of doubt, the land costs of such uncompleted property development will not be included in the computation of value of the Trust Property for the purposes of calculating the Base Fee.

Base Rent
Minimum rental income received or receivable from tenants charged based on the higher of the base rent or turnover rent method after taking into account leasing incentives such as rent rebates and rent-free periods where applicable

Board of Directors
The board of directors of the Trustee-Manager

Building Ownership Certificate
House Ownership Certificate (房屋所有权证) or Real Estate Title Certificate (房地产权证) issued by the local building ownership administration bureau or the local real estate administration bureau, respectively of PRC

Business Day
Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading

BT
Business tax

Commercial Management Agreements
The commercial management agreements dated 31 December 2015 (as supplemented) entered into between each of the Rental Management Companies and Zhongshan Yuanxin with the Commercial Manager

Controlling shareholder
A person who (i) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares of the company or (ii) in fact exercises control over the company
<table>
<thead>
<tr>
<th><strong>Controlling unitholder</strong></th>
<th>In relation to a business trust, means</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1) a person who in fact exercises control over Dasin Retail Trust; or</td>
</tr>
<tr>
<td></td>
<td>(2) a person who has an interest or interests in units representing not less than 15.0% of the total voting rights of the holders Dasin Retail Trust</td>
</tr>
</tbody>
</table>

| **Cornerstone Investors** | China Orient Asset Management (International) Holding Limited and Haitong International Investment Fund SPC, acting on behalf and for the account of Haitong International Investment Fund SPC – Fund I SP |

| **Cornerstone Subscription Agreements** | The cornerstone subscription agreements entered into between each of the Cornerstone Investors and the Trustee-Manager to subscribe for the Cornerstone Units at the Offering Price |

| **Cornerstone Units** | An aggregate of 31,250,000 Units to be subscribed by the Cornerstone Investors at the Offering Price |

| **Dasin E-Colour** | Dasin E-Colour (溢彩荟), a property in the Initial Portfolio |

| **Dasin E-Colour Master Lease Agreements** | The master lease agreements (as amended and supplemented) entered into between Dasin Merchant Investment and Yicai Xinduhui on 1 March 2016 for the lease of certain units in Dasin E-Colour |

| **Dasin Licence Agreement** | The licence agreement dated 27 December 2016 entered into between the Sponsor and the Trustee-Manager in respect of the “Dasin” brand name and any additional trade mark(s) for use in connection with the business of Dasin Retail Trust |

| **Dasin Pass** | A platform developed by the business arm of the Sponsor which integrates retailing and marketing solutions with various payment platform options, that serves to connect customers, tenants and the Sponsor through membership benefits, online-to-offline services and an information database that delivers insights into the needs of customers and tenants |

| **Depository Services Terms and Conditions** | CDP’s depository services terms and conditions in relation to the deposit of the Units in CDP |

| **Director** | A director of the Trustee-Manager |

<p>| <strong>Distributable Income</strong> | Dasin Retail Trust’s distributable income in relation to a distribution period |</p>
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution Waiver</td>
<td>The waiver by each of Aqua Wealth and Bounty Way of a portion of their entitlements to distributions from Dasin Retail Trust for the Distribution Waiver Period</td>
</tr>
<tr>
<td>Distribution Waiver Lock-up</td>
<td>The lock-up arrangement provided by each of Aqua Wealth and Bounty Way in the Distribution Waiver Undertakings, where each of Aqua Wealth and Bounty Way has irrevocably and unconditionally undertaken to remain as the holder of, and will not create encumbrances over, the Lock-up Distribution Units for the Distribution Waiver Period</td>
</tr>
<tr>
<td>Distribution Waiver Period</td>
<td>The term of the Distribution Waiver Undertakings, which will be for a period of approximately five years, from the Listing Date till 31 December 2021</td>
</tr>
<tr>
<td>Distribution Waiver Undertaking</td>
<td>The distribution waiver undertaking provided on 13 January 2017 by each of Aqua Wealth and Bounty Way to the Trustee-Manager (and, together, the “Distribution Waiver Undertakings”)</td>
</tr>
<tr>
<td>Doumen Metro Mall Development Project</td>
<td>The development project that is owned and being developed by the Zhang Vendors, as more particularly described in “Business and Properties – the Doumen Metro Mall Development Project” of this Prospectus</td>
</tr>
<tr>
<td>Doumen Purchase Option</td>
<td>The option granted on 27 December 2016 by Dasin Management and Investment to the Trustee-Manager to acquire the project company that holds the Doumen Metro Mall Development Project</td>
</tr>
<tr>
<td>DPU</td>
<td>Distribution per Unit</td>
</tr>
<tr>
<td>Due Care</td>
<td>The degree of care and diligence required of a trustee-manager of a registered business trust</td>
</tr>
<tr>
<td>Executive Officer</td>
<td>An executive officer of the Trustee-Manager</td>
</tr>
<tr>
<td>Extraordinary Resolution</td>
<td>A resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed</td>
</tr>
<tr>
<td>F&amp;B</td>
<td>Food and beverage</td>
</tr>
<tr>
<td>Facilities</td>
<td>The Onshore Facility and the Offshore Facilities</td>
</tr>
<tr>
<td>Financial Year or FY</td>
<td>Financial year ended or, as the case may be, ending 31 December</td>
</tr>
<tr>
<td>First Lock-up Period</td>
<td>The period commencing from the Listing Date until the date falling six months thereafter (both dates inclusive)</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Fixed Rent</td>
<td>Rental income received or receivable from tenants charged based on the fixed rent method, under which rent is charged at fixed pre-determined rates (after adjusting for leasing incentives such as rent rebates and rent-free periods where applicable)</td>
</tr>
<tr>
<td>Forecast Year 2017</td>
<td>The period from 1 January 2017 to 31 December 2017 (both dates inclusive)</td>
</tr>
<tr>
<td>GFA</td>
<td>Gross floor area, and in relation to properties in China, the area specified in the Building Ownership Certificate for each property</td>
</tr>
<tr>
<td>Greater China</td>
<td>For the purposes of this Prospectus, means PRC, Hong Kong Special Administrative Region and the Macau Special Administrative Region</td>
</tr>
<tr>
<td>Gross Rental Income</td>
<td>Comprises Fixed Rent, Turnover Rent and the higher of the Base Rent or Turnover Rent</td>
</tr>
<tr>
<td>Gross Revenue</td>
<td>Consists of Gross Rental Income (after adjusting for rent-free incentives amortised over the lease periods) and other income earned from the Properties, including car park revenue and other income attributable to the operation of the Properties</td>
</tr>
<tr>
<td>HY</td>
<td>Six-month period ended or, as the case may be, ending 30 June</td>
</tr>
<tr>
<td>Independent Market Research Report</td>
<td>The independent market research report prepared by the Independent Market Research Consultant</td>
</tr>
<tr>
<td>Initial Portfolio</td>
<td>The initial property portfolio of Dasin Retail Trust comprising the Properties</td>
</tr>
<tr>
<td>Interested Person</td>
<td>Has the meaning ascribed to it in the Listing Manual</td>
</tr>
<tr>
<td>Interested Person Transaction</td>
<td>Has the meaning ascribed to it in the Listing Manual</td>
</tr>
<tr>
<td>IPO</td>
<td>Initial public offering</td>
</tr>
<tr>
<td>Land Use Right</td>
<td>In relation to the Properties, the right of possession, use and benefit of the land, the right to construct buildings, structures and auxiliary facilities thereto, the right to transfer the land use right, the right to lease the land, and the right to create mortgage on the land, to the extent permitted by the PRC laws and regulations</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Land Use Right Certificate</strong></td>
<td>The land use right certificate in which the land administration department of a county or municipal government of a city or county, as a grantor, grants the grantee as proof of the Land Use Right on certain plot of state-owned land within a certain number of years, provided that the grantee pays the premium for grant of the Land Use Right</td>
</tr>
<tr>
<td><strong>Latest Practicable Date</strong></td>
<td>18 December 2016, being the latest practicable date prior to the lodgement of this Prospectus with the MAS</td>
</tr>
<tr>
<td><strong>Listing Date</strong></td>
<td>The date of admission of Dasin Retail Trust to the Official List of the SGX-ST</td>
</tr>
<tr>
<td><strong>Lock-up Distribution Units</strong></td>
<td>The Units held by each of Aqua Wealth and Bounty Way which are the subject of the Distribution Waiver and will be locked-up pursuant to the Distribution Waiver Lock-up</td>
</tr>
<tr>
<td><strong>Lock-up Units</strong></td>
<td>All the Units which will be legally and/or beneficially, directly or indirectly held by each of Zhang Chon Meng, Aqua Wealth and the Family Trustee on the Listing Date</td>
</tr>
<tr>
<td><strong>Major Unitholder</strong></td>
<td>Each of Aqua Wealth and Bounty Way, which has each provided the Distribution Waiver Undertaking (and, together, the “Major Unitholders”)</td>
</tr>
<tr>
<td><strong>Management Fee or Trustee-Manager’s Management Fee</strong></td>
<td>Base Fee and Performance Fee</td>
</tr>
<tr>
<td><strong>Market Day</strong></td>
<td>A day on which the SGX-ST is open for trading in securities</td>
</tr>
<tr>
<td><strong>NAV</strong></td>
<td>Net asset value</td>
</tr>
<tr>
<td><strong>Net Property Income</strong></td>
<td>Gross Revenue less property expenses</td>
</tr>
<tr>
<td><strong>NLA</strong></td>
<td>Net lettable area</td>
</tr>
<tr>
<td><strong>Ocean Metro Mall</strong></td>
<td>Ocean Metro Mall (远洋店), a property in the Initial Portfolio</td>
</tr>
<tr>
<td><strong>Ocean Metro Mall Sale and Purchase Agreement</strong></td>
<td>The sale and purchase agreement dated 18 October 2015 entered into between Yuan Xin Investments Pte. Ltd., Dasin Property Investment and Beijing Yin Gang for the acquisition of Zhongshan Yuanxin, the PRC Property Company which holds the interest in Ocean Metro Mall</td>
</tr>
<tr>
<td><strong>Offering</strong></td>
<td>The offering of 151,768,900 Units by the Trustee-Manager for subscription at the Offering Price under the Placement Tranche and the Public Offer</td>
</tr>
<tr>
<td><strong>Offering Price</strong></td>
<td>S$0.80 per Unit</td>
</tr>
</tbody>
</table>
Offshore Facilities
The secured S$ and US$ denominated syndicated term loan facilities of up to the equivalent of approximately S$430.0 million obtained by Dasin Retail Trust from DBS Bank Ltd., Bank of China Limited, Singapore Branch, Hang Seng Bank Limited, Malayan Banking Berhad, Singapore Branch, Nanyang Commercial Bank, Limited, China Merchants Bank Co., Ltd., Singapore Branch, Industrial and Commercial Bank of China, Singapore Branch

Onshore Facility
The secured RMB denominated syndicated term loan facility of up to RMB 400.0 million obtained by Dasin Retail Trust from DBS Bank (China) Limited, Guangzhou Branch, Bank of China Limited, Zhongshan Branch, Hang Seng Bank (China) Co., Ltd., Zhongshan Sub-branch, Malayan Banking Berhad, Shenzhen Branch, Nanyang Commercial Bank (China) Limited, Guangzhou Branch, Industrial and Commercial Bank of China Limited, Zhongshan Branch (“ICBC”)

Ordinary Resolution
A resolution proposed and passed as such by a majority being 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed

Over-Allotment Option
An option granted by the Unit Lenders to the Joint Bookrunners and Underwriters to purchase from the Unit Lenders up to an aggregate of 9,343,300 Units at the Offering Price, solely to cover the over-allotment of Units (if any)

O2O
Online-to-offline

Performance Fee
The performance fee of 25.0% of the difference in DPU in a financial year with the DPU in the preceding full financial year (calculated before accounting for the Performance Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year

Placement Tranche
The international placement of 149,768,900 Units to investors, including institutional and other investors in Singapore, pursuant to the Offering

PRC or China
The People’s Republic of China, and for the purposes of this Prospectus, refers to Mainland China

PRC CIT
PRC corporate income tax

Profit Forecast
The forecast results for Forecast Year 2017

Profit Projection
The projected results for Projection Year 2018

Projection Year 2018
The period from 1 January 2018 to 31 December 2018 (both dates inclusive)
<table>
<thead>
<tr>
<th><strong>Properties</strong></th>
<th>The properties comprising Dasin Retail Trust's initial asset portfolio as at the Listing Date, namely, Xiaolan Metro Mall, Dasin E-Colour and Ocean Metro Mall collectively, and each a &quot;Property&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property and Commercial Management Fee</strong></td>
<td>A property and commercial management fee of 2.0% of the monthly Gross Revenue of the relevant property, and paid monthly, comprising the property management fees of 1.0% payable to the Property Manager for its property management services provided to the properties in Dasin Retail Trust's portfolio and commercial management fees of 1.0% payable to the Commercial Manager for its marketing services provided to the properties in Dasin Retail Trust's portfolio.</td>
</tr>
<tr>
<td><strong>Property Management Agreements</strong></td>
<td>The property management agreements dated 31 December 2015 (as supplemented) entered into between each of the Rental Management Companies and Zhongshan Yuanxin with the Property Manager</td>
</tr>
<tr>
<td><strong>Public Offer</strong></td>
<td>The offering to the public in Singapore of 2,000,000 Units</td>
</tr>
<tr>
<td><strong>Recognised Stock Exchange</strong></td>
<td>Any stock exchange of repute in any part of the world</td>
</tr>
<tr>
<td><strong>Rental Management Arrangement</strong></td>
<td>Means the arrangement whereby the Rental Management Companies enter into lease agreements with the respective retail tenants of Xiaolan Metro Mall and Dasin E-Colour, and the rent in respect of these Properties is collected by the respective Rental Management Companies and in return each of these Rental Management Companies enter into master leases with the respective holding companies of Xiaolan Metro Mall and Dasin E-Colour, where a proportion of the rent collected will be paid to the respective holding companies and the remainder will be retained by the Rental Management Companies</td>
</tr>
<tr>
<td><strong>Rental Management Companies Sale and Purchase Agreements</strong></td>
<td>The sale and purchase agreements dated 30 September 2015 entered into respectively between Lan Xin Management Pte. Ltd. and Yi Xin Management Pte. Ltd. respectively, with Dasin Merchant Investment for the acquisition of Xiaolan Xinduhui and Yicai Xinduhui, the Rental Management Companies of Xiaolan Metro Mall and Dasin E-Colour respectively</td>
</tr>
<tr>
<td><strong>ROFR</strong></td>
<td>Right of first refusal</td>
</tr>
<tr>
<td><strong>ROFR Properties</strong></td>
<td>The eight completed properties and six uncompleted properties undergoing development, located in Zhongshan and Zhuhai in PRC, and Macau which are subject to the Sponsor ROFR, and each a &quot;ROFR Property&quot;</td>
</tr>
</tbody>
</table>
Sale and Purchase Agreements

Comprising the Xiaolan Metro Mall and Dasin E-Colour Sale and Purchase Agreements, Ocean Metro Mall Sale and Purchase Agreement and Rental Management Companies Sale and Purchase Agreements

Second Lock-up Period

The period commencing from the day immediately following the end of the First Lock-up Period until the date falling six months after the First Lock-up Period, both dates inclusive

Securities Account

Securities account or sub-account maintained by a Depositor (as defined in Section 130A of the Companies Act) with CDP

Shiqi Framework Agreement

The framework agreement entered into between Singapore Holdco, Mr. Zhang Zhencheng and Dasin Management and Investment on 13 January 2017, for the acquisition of the Shiqi PRC Property Company and the Shiqi Rental Management Company

Shiqi Holdco Sale and Purchase Agreement

The sale and purchase agreement that will be entered into between Mr. Zhang Zhencheng and Singapore Holdco for the sale of the Shiqi Holdco, as stipulated by the Shiqi Framework Agreement

Sino-Ocean Units

The 28,944,679 Units held by Bounty Way immediately prior to the date of this Prospectus

Sponsor ROFR

The right of first refusal dated 27 December 2016 provided by each of the Zhang Vendors and Mr. Zhang Zhencheng (in his personal capacity) to the Trustee-Manager

SPV

Special purpose vehicle

Substantial Unitholder

Refers to any Unitholder with an interest in one or more Units constituting not less than 5.0% of all Units in issue

Take-over Code

Singapore Code on Take-overs and Mergers

Trust Deed

The trust deed constituting Dasin Retail Trust dated 15 January 2016, as supplemented by a first supplemental deed dated 27 December 2016

Trust Property

Has the meaning ascribed to it in the BTA, including the Authorised Investments (as defined in the Trust Deed) of Dasin Retail Trust for the time being held or deemed to be held upon the terms of the Trust Deed

Turnover Rent

Rental income received or receivable from tenants based on the turnover rent method, under which the rent charged is generally calculated as a pre-determined percentage of the tenant's gross turnover

U.S.

United States of America
<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unaudited Pro Forma Financial Information</strong></td>
<td>Unaudited historical pro forma financial information of Dasin Retail Trust and its subsidiaries</td>
</tr>
<tr>
<td><strong>Underwriting Agreement</strong></td>
<td>The underwriting agreement dated 13 January 2017 entered into between the Sponsor, the Trustee-Manager and the Joint Bookrunners and Underwriters</td>
</tr>
<tr>
<td><strong>Underwriting, Selling and Management Commission</strong></td>
<td>The underwriting, selling and management commission payable to the Joint Bookrunners and Underwriters for their services in connection with the Offering</td>
</tr>
<tr>
<td><strong>Unit(s)</strong></td>
<td>An undivided interest in Dasin Retail Trust as provided for in the Trust Deed</td>
</tr>
<tr>
<td><strong>Unit Issue Mandate</strong></td>
<td>The general mandate for the Trustee-Manager to issue Units within certain time limits until (i) the conclusion of the first annual general meeting of Dasin Retail Trust or (ii) the date by which the first annual general meeting of Dasin Retail Trust is required by applicable regulations to be held, whichever is earlier</td>
</tr>
<tr>
<td><strong>Unit Lenders</strong></td>
<td>Aqua Wealth and Bounty Way</td>
</tr>
<tr>
<td><strong>Unit Lending Agreement</strong></td>
<td>The unit lending agreement entered into between the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) and each of the Unit Lenders dated 13 January 2017 in connection with the Over-Allotment Option</td>
</tr>
<tr>
<td><strong>Unitholders</strong></td>
<td>The registered holder for the time being of a Unit, including persons so registered as joint holders, except that where the registered holder is CDP, the term “Unitholder” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose Securities Account with CDP is credited with Units</td>
</tr>
<tr>
<td><strong>VAT</strong></td>
<td>Value-Added Tax</td>
</tr>
<tr>
<td><strong>WALE</strong></td>
<td>Weighted average lease expiry</td>
</tr>
<tr>
<td><strong>WFOE</strong></td>
<td>Wholly foreign-owned enterprise</td>
</tr>
<tr>
<td><strong>WHT</strong></td>
<td>Withholding income tax</td>
</tr>
<tr>
<td><strong>Xiaolan Master Lease Agreement</strong></td>
<td>The master lease agreement (as amended and supplemented) entered into between Dasin Merchant Investment and Xiaolan Xinduhui on 26 December 2016 for the lease of certain units in Xiaolan Metro Mall</td>
</tr>
<tr>
<td><strong>Xiaolan Metro Mall</strong></td>
<td>Xiaolan Metro Mall (小榄店), a property in the Initial Portfolio</td>
</tr>
</tbody>
</table>
Xiaolan Metro Mall and Dasin E-Colour Sale and Purchase Agreements

The sale and purchase agreements dated 8 October 2015 and 31 October 2015, entered into respectively between Yi Xin Investments Pte. Ltd. and Lan Xin Investments Pte. Ltd. with Dasin Management and Investment for the acquisition of Xinteng Commercial (which holds 100.0% of the interests in Dasin E-Colour) and Xinrui Commercial (which holds 100.0% of the interests in Xiaolan Metro Mall), respectively.

Zhang Family

Mr. Zhang Zhencheng, Mr. Zhang Chon Meng (son of Mr. Zhang Zhencheng) and the Zhang Vendors

Zhang Family Trust

The family trust which holds the Units owned by Aqua Wealth for the benefit for its beneficiaries, being Mr. Zhang Chon Meng, son of Mr. Zhang Zhencheng.

Zhang Vendors

Mr. Zhang Kaicheng, Mr. Zhang Jiucheng and Mr. Zhang Zhongming, and each a “Zhang Vendor”

Currencies, Units and Others

km Kilometres
RMB Renminbi, the lawful currency of PRC
S$ Singapore dollars, the lawful currency of Singapore
sq km Square kilometres
sq m Square metres
US$ United States dollars, the lawful currency of the U.S.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Prospectus to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Prospectus is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding.
Letter from the Reporting Accountant on the Profit Forecast for the Financial Year Ending 31 December 2017 and the Profit Projection for the Financial Year Ending 31 December 2018

This letter has been prepared for inclusion in the prospectus (the “Prospectus”) of Dasin Retail Trust in connection with the initial public offering of the units in Dasin Retail Trust and listing of the units on the Singapore Exchange Securities Trading Limited (the “Offering”).

The directors (the “Directors”) of the Trustee-Manager are responsible for the preparation and presentation of the forecast and projected consolidated income statements of Dasin Retail Trust and its subsidiaries (the “Trust Group”) for the financial year ending 31 December 2017 (the “Profit Forecast”) and for the financial year ending 31 December 2018 (the “Profit Projection”), as set out on pages 181 to 182 of the Prospectus, which have been prepared on the basis of the assumptions as set out on pages 182 to 191 of the Prospectus.

We have examined the Profit Forecast and the Profit Projection as set out on pages 181 to 182 of the Prospectus in accordance with Singapore Standard on Assurance Engagements 3400, Examination of Prospective Financial Information, applicable to the examination of prospective financial information. The Directors are solely responsible for the Profit Forecast and Profit Projection including the assumptions set out on pages 182 to 191 of the Prospectus on which they are based.

Profit Forecast

In our opinion, the Profit Forecast is properly prepared on the basis of the assumptions, is consistent with the accounting policies set out on C-23 to C-34 of the Prospectus, and is presented in accordance with International Financial Reporting Standards (but not all the required disclosures) which is the accounting framework to be adopted by Dasin Retail Trust in the preparation of the consolidated financial statements of the Trust Group. Further, based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Forecast.

Profit Projection

The Profit Projection is intended to show a possible outcome based on the stated assumptions. As the length of the period covered by the Profit Projection extend beyond the period covered by the Profit Forecast, the assumptions used in the Profit Projection (which included hypothetical
assumptions about future events which may not necessarily occur) are more subjective than would be appropriate for the Profit Forecast. The Profit Projection does not therefore constitute a Profit Forecast.

In our opinion, the Profit Projection is properly prepared on the basis of the assumptions, is consistent with the accounting policies set out on C-23 to C-34 of the Prospectus, and is presented in accordance with International Financial Reporting Standards (but not all the required disclosures) which is the accounting framework to be adopted by Dasin Retail Trust in the preparation of the consolidated financial statements of the Trust Group. Further, based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Projection.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions set out on pages 182 to 191 of the Prospectus occur, actual results are still likely to be different from the Profit Forecast and Profit Projection since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecast and projected. For these reasons, we do not express any opinion as to the possibility of achievement of the Profit Forecast and Profit Projection.

Attention is drawn, in particular, to the risk factors set out on pages 88 to 133 of the Prospectus which describe the principal risks associated with the Offering, to which the Profit Forecast and Profit Projection relate and the sensitivity analysis of the Profit Forecast and Profit Projection as set out on pages 192 to 194 of the Prospectus.

Yours faithfully,

Deloitte & Touche LLP
Public Accountants and Chartered Accountants
Singapore

Tay Hwee Ling
Partner

13 January 2017

The Board of Directors
Dasin Retail Trust Management Pte. Ltd.
(in its capacity as Trustee-Manager of Dasin Retail Trust)
8 Marina Boulevard #14-02
Marina Bay Financial Centre Tower 1
Singapore 018981

Dear Sirs

Report on the compilation of Unaudited Pro Forma Financial Information

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Dasin Retail Trust and its subsidiaries (collectively referred to as the “Trust Group”) by Dasin Retail Trust Management Pte. Ltd. (the “Trustee-Manager”). The unaudited pro forma financial information of the Trust Group consists of the unaudited pro forma statements of comprehensive income for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016, the unaudited pro forma statements of financial position as at 31 December 2015 and 30 June 2016, the unaudited pro forma statements of cash flows for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016, and related notes (collectively the “Unaudited Pro Forma Financial Information”) as set out on pages C-1 to C-47 of the prospectus (the “Prospectus”) to be issued by the Trustee-Manager in connection with the offering of units in the Trust Group (the “Offering” or the “Listing”). The applicable criteria (the “Criteria”) on the basis of which the Trustee-Manager has compiled the Unaudited Pro Forma Financial Information are described in Note 4.

The Unaudited Pro Forma Financial Information has been compiled by the Trustee-Manager to illustrate the impact of what:

(a) the unaudited pro forma financial results of the Trust Group for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016 would have been if the Set-up of Dasin Retail Trust as private Trust, Acquisition of Initial Portfolio, Listing of the Dasin Retail Trust and New Debt Facilities as described in Note 3 to the Unaudited Pro Forma Financial Information (the “Significant Events”) had occurred on 1 January 2013;

(b) the unaudited pro forma financial position of the Trust Group as at 31 December 2015 and 30 June 2016 would have been if the Significant Events had occurred on 31 December 2015 and 30 June 2016 respectively; and

(c) the unaudited pro forma cash flows of the Trust Group for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016 would have been if the Significant Events had occurred on 1 January 2013.
As part of this process, information about the Unaudited Pro Forma Financial Information has been extracted by the Trustee-Manager from

(a) the audited financial information of Zhongshan Dasin Management and Investment Co., Ltd. Xiao Lan Branch (“Dasin Property Xiao Lan Branch”) for the years ended 31 December 2013, 31 December 2014, 31 December 2015, on which audit reports have been issued but are not publicly available;

(b) the audited financial information of Zhongshan Xiaolan Dasin Xinduhui Commercial Management Co., Ltd. (“Xiaolan Xinduhui”) for the period from 20 May 2013 (date of incorporation) to 31 December 2013 and the years ended 31 December 2014, 31 December 2015, on which audit reports have been issued but are not publicly available;

(c) the audited financial information of Zhongshan Yuanxin Commercial Property Management Co., Ltd. (“Zhongshan Yuanxin”) for the period from 16 January 2013 (date of incorporation) to 31 December 2013 and the years ended 31 December 2014, 31 December 2015, on which audit reports have been issued but are not publicly available;

(d) the audited financial information of Zhongshan Yicai Dasin Xinduhui Commercial Management Co., Ltd. (“Yicai Xinduhui”) for the period from 14 May 2015 (date of incorporation) to 31 December 2015, on which audit reports have been issued but are not publicly available;

(e) the unaudited financial information of of Zhongshan Xinrui Commercial Management Co., Ltd (“Xinrui Commercial”) for the period from 12 August 2015 (date of incorporation) to 31 December 2015;

(f) the unaudited financial information of Zhongshan Xinteng Commercial Management Co., Ltd (“Xinteng Commercial”) for the period from 31 July 2015 (date of incorporation) to 31 December 2015; and

(g) the unaudited interim financial information of Dasin Property Xiao Lan Branch, Xiaolan Xinduhui, Zhongshan Yuanxin, Yicai Xinduhui, Xinrui Commercial and Xinteng Commercial for the six-month periods ended 30 June 2015 and 30 June 2016.

The Trustee-Manager’s responsibility for the Unaudited Pro Forma Financial Information

The Trustee-Manager is responsible for compiling the Unaudited Pro Forma Financial Information on the basis of the Criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Singapore Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.
Reporting Accountant’s Responsibility

Our responsibility is to express an opinion about whether the Unaudited Pro Forma Financial Information has been compiled, in all material respects, by the Trustee-Manager on the basis of the Criteria.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the Institute of Singapore Chartered Accountants. This standard requires that the Reporting Accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Trustee-Manager has compiled, in all material respects, the Unaudited Pro Forma Financial Information on the basis of the Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in a Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at the respective dates would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been compiled, in all material respects, on the basis of the Criteria involves performing procedures to assess whether the Criteria used by the Trustee-Manager in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those Criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the Reporting Accountant’s judgment, having regard to his understanding of the nature of the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
Opinion

In our opinion:

(a) The Unaudited Pro Forma Financial Information has been compiled:

(i) from (1) the audited financial information of Dasin Property Xiao Lan Branch for the years ended 31 December 2013, 31 December 2014, 31 December 2015 in accordance with the International Standards on Auditing; (2) the audited financial information of Xiaolan Xinduhui for the period from 20 May 2013 (date of incorporation) to 31 December 2013 and the years ended 31 December 2014, 31 December 2015 in accordance with International Standards on Auditing; (3) the audited financial information of Zhongshan Yuanxin for the period from 16 January 2013 (date of incorporation) to 31 December 2013 and the years ended 31 December 2014, 31 December 2015 in accordance with the International Standards on Auditing; (4) the audited financial information of Yicai Xinduhui for the period from 14 May 2015 (date of incorporation) to 31 December 2015 in accordance with the International Standards on Auditing; (5) the unaudited financial information of Xinrui Commercial for the period from 12 August 2015 (date of incorporation) to 31 December 2015; (6) the unaudited financial information of Xinteng Commercial for the period from 31 July 2015 (date of incorporation) to 31 December 2015; and (7) the unaudited interim financial information of Dasin Property Xiao Lan Branch, Xiaolan Xinduhui, Zhongshan Yuanxin, Yicai Xinduhui, Xinrui Commercial and Xinteng Commercial for the six-month periods ended 30 June 2015 and 30 June 2016, all of which are prepared in accordance with International Financial Reporting Standards;

(ii) in a manner consistent with the accounting policies to be adopted by the Trust Group which are in accordance with International Financial Reporting Standards; and

(iii) on the basis of the Criteria stated in Note 4 of the Unaudited Pro Forma Financial Information; and

(b) Each material adjustment made to the information used in the preparation of the Unaudited Pro Forma Financial Information is appropriate for the purpose of preparing such financial information.

Restriction of Use and Distribution

This report has been prepared for inclusion in the Prospectus of Dasin Retail Trust in connection with the Offering on the Singapore Exchange Securities Trading Limited and for no other purposes.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Tay Hwee Ling
Partner
### UNAUDITED PRO FORMA FINANCIAL INFORMATION

**DASIN RETAIL TRUST AND ITS SUBSIDIARIES**

**UNAUDITED PRO FORMA STATEMENTS OF COMPREHENSIVE INCOME**


The accompanying notes form an integral part of this unaudited pro forma financial information.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
</tr>
<tr>
<td>Gross revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>96,909</td>
<td>102,590</td>
<td>155,566</td>
<td>70,165</td>
<td>93,580</td>
</tr>
<tr>
<td>Business and property related tax</td>
<td>(10,382)</td>
<td>(10,899)</td>
<td>(17,899)</td>
<td>(9,058)</td>
<td>(8,630)</td>
</tr>
<tr>
<td>Property and commercial management fees</td>
<td>(1,938)</td>
<td>(2,052)</td>
<td>(3,111)</td>
<td>(1,403)</td>
<td>(1,872)</td>
</tr>
<tr>
<td>Other property operating expenses</td>
<td>(11,796)</td>
<td>(23,101)</td>
<td>(14,111)</td>
<td>(9,753)</td>
<td>(9,801)</td>
</tr>
<tr>
<td>Total property operating expenses</td>
<td>(24,116)</td>
<td>(36,052)</td>
<td>(35,121)</td>
<td>(20,214)</td>
<td>(20,303)</td>
</tr>
<tr>
<td>Net property income</td>
<td>72,793</td>
<td>66,538</td>
<td>120,445</td>
<td>49,951</td>
<td>73,277</td>
</tr>
<tr>
<td>Trustee-Manager’s fee</td>
<td>(13,183)</td>
<td>(13,183)</td>
<td>(26,333)</td>
<td>(6,591)</td>
<td>(6,591)</td>
</tr>
<tr>
<td>Other trust expenses</td>
<td>(4,232)</td>
<td>(4,277)</td>
<td>(4,406)</td>
<td>(2,203)</td>
<td>(2,269)</td>
</tr>
<tr>
<td>Finance income</td>
<td>356</td>
<td>60</td>
<td>81</td>
<td>25</td>
<td>35</td>
</tr>
<tr>
<td>Finance costs</td>
<td>9 (57,126)</td>
<td>(57,126)</td>
<td>(57,126)</td>
<td>(28,563)</td>
<td>(28,563)</td>
</tr>
<tr>
<td>(Loss)/profit before income tax</td>
<td>(1,392)</td>
<td>(7,988)</td>
<td>32,661</td>
<td>12,619</td>
<td>35,889</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>10 (16,588)</td>
<td>(17,078)</td>
<td>(21,649)</td>
<td>(10,120)</td>
<td>(10,441)</td>
</tr>
<tr>
<td>(Loss)/profit for the year, representing total comprehensive income</td>
<td>(17,980)</td>
<td>(25,066)</td>
<td>11,012</td>
<td>2,499</td>
<td>25,448</td>
</tr>
<tr>
<td>Earnings per unit attributable to unitholders of Dasin Retail Trust (cents)</td>
<td>11 (3.27)</td>
<td>(4.56)</td>
<td>2.00</td>
<td>0.45</td>
<td>4.63</td>
</tr>
</tbody>
</table>
DASIN RETAIL TRUST AND ITS SUBSIDIARIES
UNAUDITED PRO FORMA STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015 AND 30 JUNE 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB’000</td>
<td>RMB’000</td>
</tr>
</tbody>
</table>

**Current assets**

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>77,000</td>
<td>77,000</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>11,827</td>
<td>13,806</td>
</tr>
<tr>
<td>Available for sale investments</td>
<td>–</td>
<td>12,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>88,827</strong></td>
<td><strong>102,806</strong></td>
</tr>
</tbody>
</table>

**Non-current assets**

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other receivables</td>
<td>14,624</td>
<td>16,485</td>
</tr>
<tr>
<td>Investment properties</td>
<td>4,563,000</td>
<td>4,563,000</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>4,252</td>
<td>3,750</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>4,581,876</strong></td>
<td><strong>4,583,235</strong></td>
</tr>
</tbody>
</table>

**Total assets**

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>4,670,703</strong></td>
<td><strong>4,686,041</strong></td>
</tr>
</tbody>
</table>

**Current liabilities**

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>36,174</td>
<td>30,241</td>
</tr>
<tr>
<td>Tax payable</td>
<td>5,633</td>
<td>7,464</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>41,807</strong></td>
<td><strong>37,705</strong></td>
</tr>
</tbody>
</table>

**Non-current liabilities**

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings from financial institutions</td>
<td>1,198,900</td>
<td>1,198,900</td>
</tr>
<tr>
<td>Rental deposits</td>
<td>12,320</td>
<td>13,872</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>732,761</td>
<td>732,761</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td><strong>1,943,981</strong></td>
<td><strong>1,945,533</strong></td>
</tr>
</tbody>
</table>

**Total liabilities**

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>1,985,788</strong></td>
<td><strong>1,983,238</strong></td>
</tr>
</tbody>
</table>

**Net assets**

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net assets</strong></td>
<td><strong>2,684,915</strong></td>
<td><strong>2,702,803</strong></td>
</tr>
</tbody>
</table>

**Equity**

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unitholders’ funds</td>
<td>2,684,915</td>
<td>2,702,803</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of this unaudited pro forma financial information.
### DASIN RETAIL TRUST AND ITS SUBSIDIARIES
### UNAUDITED PRO FORMA STATEMENTS OF CASH FLOWS

<table>
<thead>
<tr>
<th>Year ended</th>
<th>Year ended</th>
<th>Year ended</th>
<th>Six-month period</th>
<th>Six-month period</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December</td>
<td>31 December</td>
<td>31 December</td>
<td>ended 30 June</td>
<td>ended 30 June</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>RMB’000</th>
<th>RMB’000</th>
<th>RMB’000</th>
<th>RMB’000</th>
<th>RMB’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Loss)/profit before income tax</td>
<td>(1,392)</td>
<td>(7,988)</td>
<td>32,661</td>
<td>12,619</td>
<td>35,889</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Write off of accounts receivables</td>
<td>2,380</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Depreciation of plant and equipment</td>
<td>30</td>
<td>60</td>
<td>641</td>
<td>99</td>
<td>513</td>
</tr>
<tr>
<td>Finance costs</td>
<td>57,126</td>
<td>57,126</td>
<td>57,126</td>
<td>28,563</td>
<td>28,563</td>
</tr>
<tr>
<td>Finance income</td>
<td>(356)</td>
<td>(60)</td>
<td>(81)</td>
<td>(25)</td>
<td>(35)</td>
</tr>
<tr>
<td>Trustee-Manager’s fee paid in units</td>
<td>12,320</td>
<td>12,320</td>
<td>24,611</td>
<td>6,160</td>
<td>6,160</td>
</tr>
<tr>
<td><strong>Operating cash flow before movements in working capital</strong></td>
<td>70,108</td>
<td>61,458</td>
<td>114,958</td>
<td>47,416</td>
<td>71,090</td>
</tr>
<tr>
<td>Changes in working capital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>(414)</td>
<td>(6,466)</td>
<td>(18,622)</td>
<td>(5,589)</td>
<td>(3,840)</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(33,157)</td>
<td>(31,833)</td>
<td>(44,086)</td>
<td>(21,321)</td>
<td>(10,344)</td>
</tr>
<tr>
<td>Amount due from/(to) Sponsor Group</td>
<td>141,994</td>
<td>20,515</td>
<td>(13,930)</td>
<td>1,127</td>
<td>(1,476)</td>
</tr>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td>178,531</td>
<td>43,674</td>
<td>38,320</td>
<td>21,633</td>
<td>55,430</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(703)</td>
<td>(2,951)</td>
<td>(1,641)</td>
<td>(1,281)</td>
<td>(3,396)</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>177,828</td>
<td>40,723</td>
<td>36,679</td>
<td>20,352</td>
<td>52,034</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>RMB’000</th>
<th>RMB’000</th>
<th>RMB’000</th>
<th>RMB’000</th>
<th>RMB’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>356</td>
<td>60</td>
<td>81</td>
<td>25</td>
<td>35</td>
</tr>
<tr>
<td>Purchase of plant and equipment</td>
<td>(120)</td>
<td>(2,208)</td>
<td>(416)</td>
<td>(1,972)</td>
<td>(11)</td>
</tr>
<tr>
<td>Deposit paid for acquisition of plant and equipment</td>
<td>–</td>
<td>(2,249)</td>
<td>(18)</td>
<td>(242)</td>
<td>–</td>
</tr>
<tr>
<td>Purchase of available for sale investments</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(12,000)</td>
</tr>
<tr>
<td>Payment for acquisition of Initial Portfolio</td>
<td>(1,343,700)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(1,343,464)</td>
<td>(4,397)</td>
<td>(353)</td>
<td>(2,189)</td>
<td>(11,976)</td>
</tr>
</tbody>
</table>
### Financing activities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New bank borrowings raised</td>
<td>1,250,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction costs related to borrowings from financial institution</td>
<td>(51,100)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of bank borrowings</td>
<td>(627,410)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest paid</td>
<td>(36,326)</td>
<td>(36,326)</td>
<td>(36,326)</td>
<td>(18,163)</td>
<td>(18,163)</td>
</tr>
<tr>
<td>Proceeds from listing, net of issuance costs</td>
<td>637,615</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid to previous shareholders</td>
<td></td>
<td></td>
<td></td>
<td>(21,895)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from units issued to the unitholders prior to listing</td>
<td>66,077</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Net cash from (used in) financing activities**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,238,856</td>
<td>(36,326)</td>
<td>(36,326)</td>
<td>(18,163)</td>
<td>(40,058)</td>
</tr>
</tbody>
</table>

**Increase in cash and cash equivalents**

|                        | 73,220                     |                             |                             |                                   |                                   |

**Balance of cash and cash equivalents at the beginning of the year/period**

|                        | 3,780                      | 77,000                      | 77,000                      | 77,000                            | 77,000                            |

**Balance of cash and cash equivalents at the end of the year/period**

|                        | 77,000                      | 77,000                      | 77,000                      | 77,000                            | 77,000                            |

The accompanying notes form an integral part of this unaudited pro forma financial information.
DASIN RETAIL TRUST AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 31 DECEMBER 2014 AND
31 DECEMBER 2015 AND THE SIX-MONTH PERIODS ENDED 30 JUNE 2015 AND
30 JUNE 2016

1. INTRODUCTION

The unaudited pro forma financial information of Dasin Retail Trust and its subsidiaries (collectively the “Trust Group”) consists of the pro forma statements of comprehensive income of the Trust Group for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016, the pro forma statements of financial position of the Trust Group as at 31 December 2015 and 30 June 2016, the pro forma statements of cash flows of the Trust Group for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016, and a summary of significant accounting policies and other explanatory information (the “Unaudited Pro Forma Financial Information”).

The Unaudited Pro Forma Financial Information has been prepared for inclusion in the prospectus to be issued in connection with the proposed listing (the “Listing”) of Dasin Retail Trust on the Singapore Exchange Securities Trading Limited (“SGX-ST”) (the “Prospectus”).

Dasin Retail Trust is a business trust constituted pursuant to the Trust Deed dated 15 January 2016 and registered with the Monetary Authority of Singapore. Dasin Retail Trust is principally regulated by the Business Trusts Act, Chapter 31A of Singapore and the Securities and Futures Act, Chapter 289 of Singapore. Dasin Retail Trust Management Pte. Ltd. (the “Trustee-Manager”), will own, maintain and acquire investments on trust for the benefit of unitholders of Dasin Retail Trust as the Trustee-Manager of Dasin Retail Trust pursuant to the Trust Deed. The registered address of the Trustee-Manager is 8 Marina Boulevard #14-02, Marina Bay Financial Centre Tower 1, Singapore 018981.

Dasin Retail Trust’s principal investment objective is to invest in, own or develop land, uncompleted developments and income-producing real estate in the People’s Republic of China (“PRC”), used primarily for retail purposes, as well as real estate-related assets with an initial focus on retail malls.

Dasin Retail Trust comprises of the initial property portfolio (the “Initial Portfolio” or the “Trust Property”) with three properties, Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour (each a “Property” and collectively, the “Properties”), Xinrui Commercial and Xinteng Commercial (the rental management companies). The Initial Portfolio is valued at RMB 4,563,000,000 as at 30 June 2016 which are expected to comprise an aggregate gross floor area of approximately 314,884.9 square meter.

2. UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Trustee-Manager is unable to include audited historical financial information of the Initial Portfolio for the latest three financial years (the “Historical Financial Information”) in the Prospectus as:

(a) Ocean Metro Mall and Dasin E-Colour only recently commenced operations in end December 2014 and May 2015 respectively. Given that Ocean Metro Mall had only been in operations for four days in FY2014, and that Dasin E-Colour had only commenced operations in May 2015, there is limited operating information relating to these Properties.
2. UNAUDITED PRO FORMA FINANCIAL INFORMATION (CONT’D)

(b) Separate standalone historical financial information is also not available for Xiaolan Metro Mall and Dasin E-Colour and the basis for comparison had changed substantially. Historically, both Xiaolan Metro Mall and Dasin E-Colour were held under Zhongshan Dasin Management and Investment Co., Ltd. (the “Hold Co”), an entity that is wholly-owned by the Zhang Vendors (Mr. Zhang Kaicheng, Mr. Zhang Jiucheng and Mr. Zhang Zhongming). The Hold Co also holds two other properties which has not been injected into Dasin Retail Trust (the “Excluded Assets”). On Listing, the holding structure of the Initial Portfolio is different from the historical holding structure. Xiaolan Metro Mall and Dasin E-Colour are each held under Zhongshan Xinrui Commercial Management Co., Ltd. (“Xinrui Commercial”) and Zhongshan Xinteng Commercial Management Co., Ltd. (“Xinteng Commercial”) respectively, which are separate newly-incorporated PRC property investment companies of Dasin Retail Trust. The historical holding entities of each Property have not been injected into Dasin Retail Trust. As the ownership structure of Xiaolan Metro Mall and Dasin E-Colour and the capital structure of their holding entities have changed with the constitution of Dasin Retail Trust and the transfer of these Properties from the Sponsor to Dasin Retail Trust, it was difficult to obtain separate standalone historical financial information of these two Properties to perform re-audit of these two Properties, since the audited historical financial information of Xiaolan Metro Mall and Dasin E-Colour (including the operating and financing expenses incurred by the Sponsor historically) is commingled with that of the Excluded Assets.

(c) In addition, the Sponsor had managed and operated all the Properties in the Initial Portfolio and the Excluded Assets whereby any (i) surplus cash generated from these Properties and the Excluded Assets were centrally managed by the Sponsor and (ii) the funding requirements by these Properties and the Excluded Assets were centrally arranged and provided by the Sponsor. Hence, cash balances, borrowings, prepayments, payables and the resulting interest income and/or expenses recorded at the Hold Co level were not directly attributable to individual Properties or the Excluded Assets. These balances were recorded in Hold Co’s account (including those of the Excluded Assets) and the respective direct holding entities of the other three Properties held by the Zhang Vendors as inter-company receivables and payables. As such, the financial position of each individual Property in each financial year could not be meaningfully discerned as the aggregated balance under this central cash management arrangement was captured at the Hold Co and the respective direct holding entities’ level, and from the historical financial statements, it was not clear what the surpluses or liabilities of individual Properties are for each financial year.
2. UNAUDITED PRO FORMA FINANCIAL INFORMATION (CONT’D)

For the reasons stated above, the MAS has granted Dasin Retail Trust a waiver from the requirement to prepare Historical Financial Information of the Initial Portfolio, subject to the inclusion of the following in the Prospectus:

(i) the unaudited pro forma statements of comprehensive income for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016;

(ii) the unaudited pro forma statements of financial position as at 31 December 2015 and 30 June 2016; and

(iii) the unaudited pro forma statements of cash flows for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016.

3. SIGNIFICANT EVENTS

The Restructuring Exercise

In preparation for the offering, a restructuring exercise will be undertaken by Zhongshan Dasin Real Estate Co., Ltd (the “Sponsor”), which is wholly owned by Zhang Vendors (Mr. Zhang Kaicheng, Mr. Zhang Jiucheng and Mr. Zhang Zhongming), to establish Dasin Retail Trust and to set up the ownership structure of the Initial Portfolio (the “Restructuring”). The Restructuring will be implemented in the manner described below:

(a) Set-up of Dasin Retail Trust as a Private Trust

On 15 January 2016, Dasin Retail Trust was constituted as a private trust (the “Private Trust”) by a declaration of trust, with 82 units issued to Aqua Wealth Holdings Limited (the “Aqua Wealth”), an indirect wholly-owned subsidiary of the Zhang Family Trust, and 18 units issued to Bounty Way Investments Limited (the “Bounty Way”), an indirect wholly-owned subsidiary of Sino-Ocean Land Holdings Limited, at the issue price of S$1.00 per Unit.

On 31 May 2016, 83 Units were issued to Aqua Wealth Holdings Limited at the issue price of S$1.00 per Unit. All the then-issued and paid-up Units, comprising 183 Units, were then sub-divided into 239,110,662 Units, following which, 2,484,500 Units were issued to Aqua Wealth Holdings Limited at an aggregate issue price of S$2,484,500, or the equivalent of RMB 11,900,000.

On 27 December 2016, 119,566,671 Units were issued to Aqua Wealth and 5,425,598 Units were issued to Bounty Way at an aggregate issue price of S$11,231,078, or the equivalent of RMB 54,176,000.

As a result of the foregoing, Aqua Wealth and Bounty Way will hold a total of 366,587,431 Units in Dasin Retail Trust immediately prior to the Offering.
3. SIGNIFICANT EVENTS (CONT’D)

(b) Acquisition of Initial Portfolio

On 21 January 2016, the Private Trust acquired the entire issued share capital of Singapore Dasin Commercial Holdings Pte. Ltd. from Zhang Zhencheng (the guardian of Zhang Chon Meng, the sole beneficiary of the Zhang Family Trust) for a nominal consideration of S$1.00 in preparation for the Listing (as defined in Note 3(c) below). Dasin Retail Trust, through the Singapore Holding Companies (as disclosed in Note 19), entered into a series of sale and purchase agreements to acquire the PRC Companies (as disclosed in Note 19).

(c) Listing of the Dasin Retail Trust

The Trustee-Manager will make an initial public offering of units in Dasin Retail Trust for subscription (the “Listing”).

The proceeds from the initial public offering (the “Proceeds”) will be used for, amongst other things:

(i) partial funding of the consideration for the acquisition of the Initial Portfolio on the Listing Date;

(ii) working capital purposes; and

(iii) equity issue expense.

(d) New Debt Facilities

Dasin Retail Trust will put in place debt financing for an amount of RMB 1,250,000,000 upon the Listing Date (the “New Debt Facilities”). The proceeds from the New Debt Facilities will be used in part to finance the acquisition by Dasin Retail Trust of all the equity interests in the PRC Companies, and in part to repay the existing borrowings of the Trust Group.

4. BASIS OF PREPARATION AND COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

(a) The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and is based on certain assumptions after making certain adjustments to show what:

(i) the financial results of the Trust Group for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016 would have been if the Set-up of Dasin Retail Trust as a Private Trust, Acquisition of Initial Portfolio, Listing of the Dasin Retail Trust and New Debt Facilities as described in Note 3 to the Unaudited Pro Forma Financial Information (the “Significant Events”) had occurred at 1 January 2013;
4. BASIS OF PREPARATION AND COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION (CONT’D)

(ii) the financial position of the Trust Group as at 31 December 2015 and 30 June 2016 would have been if the Significant Events had occurred as at 31 December 2015 and 30 June 2016; and

(iii) the cash flows of the Trust Group for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016 would have been if the Significant Events had occurred at 1 January 2013.

The Unaudited Pro Forma Financial Information, because of its nature, may not give a true picture of the Trust Group’s actual financial results, financial position and cash flows.

(b) The Unaudited Pro Forma Financial Information for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016 has been compiled based on (1) the audited financial information of Zhongshan Dasin Management and Investment Co., Ltd. Xiao Lan Branch (“Xiao Lan Branch”) for the years ended 31 December 2013, 31 December 2014 and 31 December 2015; (2) the audited financial information of Zhongshan Xiaolan Dasin Xinduhui Commercial Management Co., Ltd. (“Xiaolan Xinduhui”) for the period from 20 May 2013 (date of incorporation) to 31 December 2013 and the years ended 31 December 2014 and 31 December 2015; (3) the audited financial information of Zhongshan Yuanxin Commercial Property Management Co., Ltd. (“Zhongshan Yuanxin”) for the period from 16 January 2013 (date of incorporation) to 31 December 2013 and the years ended 31 December 2014 and 31 December 2015; (4) the audited financial information of Zhongshan Yicai Dasin Xinduhui Commercial Management Co., Ltd. (“Yicai Xinduhui”) for the period from 14 May 2015 (date of incorporation) to 31 December 2015; (5) the unaudited financial information of Xinrui Commercial for the period from 12 August 2015 (date of incorporation) to 31 December 2015; (6) the unaudited financial information of Xinteng Commercial for the period from 31 July 2015 (date of incorporation) to 31 December 2015 and (7) the unaudited interim financial information of Xiao Lan Branch, Xiaolan Xinduhui, Zhongshan Yuanxin, Yicai Xinduhui, Xinrui Commercial and Xinteng Commercial for the six-month periods ended 30 June 2015 and 30 June 2016. The aforementioned financial information is hereinafter collectively referred to as the “Relevant Financial Information”.

The audited financial information are prepared in accordance with International Financial Reporting Standards and audited by Deloitte Touche Tohmatsu Hong Kong and Deloitte Touche Tohmatsu Xiamen in accordance with International Standards of Auditing. The unaudited interim financial information are prepared in accordance with International Financial Reporting Standards and reviewed by Deloitte Touche Tohmatsu Xiamen in accordance with International Standard on Review Engagements 2410 – Review of Interim Financial Information performed by Independent Auditor of the Entity. The auditors’ reports on these financial information, which were not published, were not subject to any qualifications, modifications or disclaimers.
4. BASIS OF PREPARATION AND COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION (CONT’D)

(c) In arriving at the Unaudited Pro Forma Financial Information, certain other adjustments and assumptions, as set out in Notes 4(d) and 5, have been made. The Unaudited Pro Forma Financial Information has been compiled from the Relevant Financial Information stated in Note 4(b) and is based on the accounting policies adopted by Dasin Retail Trust as disclosed in Note 6.

(d) The following key adjustments and assumptions were made for the preparation of the Unaudited Pro Forma Financial Information:

(i) Certain accounting adjustments were made to carve-out the property related expenses of Xiaolan Metro Mall and Dasin E-Colour from the Hold Co for inclusion in the Unaudited Pro Forma Financial Information.

(ii) 183,019,000 units are assumed to be issued at the offering price of $0.80 per unit. The Proceeds are assessed to be RMB 707,185,000 after deducting estimated equity issue expenses. Issue expenses related to the Listing are estimated to be RMB 69,570,000 and are assumed to be funded by proceeds raised from the Listing. Additional 124,992,000 units are issued to Aqua Wealth and Bounty Way and proceeds from the issue are assessed to be RMB 66,077,000.

(iii) The New Debt Facilities amounting to RMB 1,250,000,000 with a upfront fee amounting to RMB 51,100,000 shall be drawn down on the Listing date. The existing borrowings are assumed to be repaid by using the New Debt Facilities. The existing interest expenses for the Relevant Period are reversed and replaced by the interest expenses under the New Debt Facilities. For the purpose of preparation of Unaudited Pro Forma Financial Information, the borrowings are classified as non-current liabilities as at 31 December 2015 and 30 June 2016. No repayment of the borrowings are assumed to be made before the maturity date. The exchange rate for conversion of S$430,000,000 facilities is assumed to be 4.72 in RMB per Singapore dollar.

(iv) In accounting for the acquisition of the Initial Portfolio and the rental management companies, identifiable assets acquired and liabilities assumed in the acquisitions are measured at their fair values. The fair value of the identifiable assets acquired and the liabilities assumed in the acquisition are assumed to be the net assets of the entities holding the Initial Portfolio and rental management companies as at the acquisition date adjusted for settlement of balances with Sponsor Group, the fair value adjustment of the investment properties and the corresponding deferred tax liabilities.

For the purpose of preparation of Unaudited Pro Forma Statement of Financial Position, the fair value of the Initial Portfolio is based on the average of the independent valuations of the properties of RMB 4,563,000,000 as at 31 December 2015 and as at 30 June 2016 and the corresponding deferred tax
liabilities are assumed to be RMB 732,761,000 as at 31 December 2015 and as at 30 June 2016. This may differ from the fair values of the net assets as at the actual date of acquisition of the Initial Portfolio by Dasin Retail Trust.

For the purpose of preparation of Unaudited Pro Forma Statement of Comprehensive Income, the fair value of the Initial Portfolio is assumed to remain unchanged as at each financial year end.

(v) The settlement of consideration for acquisition of RMB 1,343,700,000 shall be settled by payment of cash to the Sponsor, which is funded by the Proceeds and New Debt Facilities.

(vi) The Trustee-Manager will be entitled to receive a Trustee-Manager’s fee as disclosed in Note 22(a). For the purpose of Unaudited Pro Forma Financial Information, the Trustee-Manager’s fee is assumed to be charged in the amounts of RMB 13,183,000, RMB 13,183,000, RMB 26,333,000, and RMB 6,591,000 and RMB 6,591,000 for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016 respectively. 100% of the Trustee-Manager’s fee (excluding Goods and Services Tax (“GST”)) is payable to Trustee-Manager in the form of units. GST on the Trustee-Manager’s fee is payable to Trustee-Manager in cash. For the purpose of computation of the difference in Distribution per Unit (“DPU”) for the calculation of performance fee, the weighted average number of units in issue are used.

(vii) The Trust Group has entered into property management agreements and commercial management agreements with the Property Manager and Commercial Manager respectively, pursuant to which the Trust Group has outsourced the property management services and marketing and promoting services for the properties to the Property Manager and Commercial Manager respectively. The Property Manager and Commercial Manager will be entitled to receive property and commercial management fees as disclosed in Note 22(b).

For the purpose of Unaudited Pro Forma Financial Information, the property and commercial management fees are assumed to be charged in the amounts of RMB 1,938,000, RMB 2,052,000, RMB 3,111,000, RMB 1,403,000 and RMB 1,872,000 for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016 respectively.

The current property management fees previously charged and other one-off non-recurring property operating expenses are reversed.

(viii) External service providers will also provide certain services such as corporate services, audit and tax services, valuation and appraisal services, insurance services and other administrative services. The incremental fees relating to these
services are assumed to be charged in the amounts of RMB 4,232,000, RMB 4,277,000, RMB 4,406,000, RMB 2,203,000 and RMB 2,269,000 for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016 respectively.

(ix) Dasin Retail Trust has assumed that a cash reserve of RMB 77,000,000 is needed for tax payments and for working capital purposes. Accordingly, the balances of cash and cash equivalents were adjusted to RMB 77,000,000 and the amounts exceeding or falling short of the cash reserve were recorded as other receivables or other payables to the Sponsor.

5. STATEMENT OF ADJUSTMENTS

(a) Pro forma statements of comprehensive income of the Trust Group for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016.

The following adjustments have been made in arriving at the pro forma statements of comprehensive income of the Trust Group for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016 based on the assumption that the Significant Events had occurred at 1 January 2013.
## 5. STATEMENT OF ADJUSTMENTS (CONT’D)

For the year ended 31 December 2013

<table>
<thead>
<tr>
<th></th>
<th>Audited statement of comprehensive income of Xiao Lan Branch (1)</th>
<th>Audited statement of comprehensive income of Xiaolan Xinduhui (1)</th>
<th>Audited statement of comprehensive income of Zhongshan Yuanxin</th>
<th>Sub Total</th>
<th>Pro forma adjustments</th>
<th>Unaudited pro forma statement of comprehensive income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000 Note (i)</td>
<td>RMB’000 Note (ii)</td>
</tr>
<tr>
<td>Gross revenue</td>
<td>57,244</td>
<td>39,665</td>
<td>–</td>
<td>96,909</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Business and property related tax</td>
<td>(8,246)</td>
<td>(2,136)</td>
<td>–</td>
<td>(10,382)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Property and commercial management fees</td>
<td>(12,709)</td>
<td>(12,660)</td>
<td>–</td>
<td>(25,369)</td>
<td>–</td>
<td>23,431</td>
</tr>
<tr>
<td>Other property operating expenses</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(11,796)</td>
<td>–</td>
</tr>
<tr>
<td>Total property operating expenses</td>
<td>(20,955)</td>
<td>(14,796)</td>
<td>–</td>
<td>(35,751)</td>
<td>–</td>
<td>11,635</td>
</tr>
<tr>
<td>Net property income</td>
<td>36,289</td>
<td>24,869</td>
<td>–</td>
<td>61,158</td>
<td>–</td>
<td>11,635</td>
</tr>
<tr>
<td>Trustee-Manager’s fee</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(13,183)</td>
</tr>
<tr>
<td>Other trust expenses</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(4,232)</td>
</tr>
<tr>
<td>Depreciation expense of investment properties</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(6,650)</td>
<td>–</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(17,713)</td>
<td>(7,691)</td>
<td>(817)</td>
<td>(26,221)</td>
<td>–</td>
<td>26,221</td>
</tr>
<tr>
<td>Finance income</td>
<td>10</td>
<td>15</td>
<td>331</td>
<td>356</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Finance costs</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Profit/(loss) before income tax</td>
<td>18,586</td>
<td>17,193</td>
<td>(486)</td>
<td>35,293</td>
<td>(6,650)</td>
<td>37,856</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(10,033)</td>
<td>(1,439)</td>
<td>–</td>
<td>(11,472)</td>
<td>–</td>
<td>(5,116)</td>
</tr>
<tr>
<td>(Loss)/profit for the year, representing total comprehensive income</td>
<td>8,553</td>
<td>15,754</td>
<td>(486)</td>
<td>23,821</td>
<td>(6,650)</td>
<td>32,740</td>
</tr>
</tbody>
</table>

(1) The financial information is after elimination of inter-company transactions.
## 5. STATEMENT OF ADJUSTMENTS (CONT’D)

For the year ended 31 December 2014

<table>
<thead>
<tr>
<th></th>
<th>Audited statement of comprehensive income of Xiao Lan Branch (1)</th>
<th>Audited statement of comprehensive income of Xiaolan Xinduhui (1)</th>
<th>Audited statement of comprehensive income of Zhongshan Yuanxin</th>
<th>Sub Total</th>
<th>Pro forma adjustments</th>
<th>Unaudited pro forma statement of comprehensive income</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
</tr>
<tr>
<td><strong>Business and property related tax</strong></td>
<td>(5,567)</td>
<td>(5,332)</td>
<td>–</td>
<td>(10,899)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Property and commercial management fees</strong></td>
<td>(7,109)</td>
<td>(13,248)</td>
<td>–</td>
<td>(20,357)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Other property operating expenses</strong></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total property operating expenses</strong></td>
<td>(12,676)</td>
<td>(18,580)</td>
<td>–</td>
<td>(31,256)</td>
<td>–</td>
<td>(2,052)</td>
</tr>
<tr>
<td><strong>Net property income</strong></td>
<td>(12,676)</td>
<td>80,424</td>
<td>3,586</td>
<td>71,334</td>
<td>–</td>
<td>66,538</td>
</tr>
<tr>
<td><strong>Trustee-Manager’s fee</strong></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(13,183)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Other trust expenses</strong></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(13,183)</td>
</tr>
<tr>
<td><strong>Depreciation expense of investment properties</strong></td>
<td>–</td>
<td>–</td>
<td>(6,650)</td>
<td>–</td>
<td>6,650</td>
<td>–</td>
</tr>
<tr>
<td><strong>Administrative expenses</strong></td>
<td>(21,550)</td>
<td>(18,707)</td>
<td>(13,600)</td>
<td>(53,857)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Finance income</strong></td>
<td>3</td>
<td>37</td>
<td>20</td>
<td>60</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>–</td>
<td>(14,803)</td>
<td>(16,815)</td>
<td>(31,618)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Profit/(loss) before income tax</strong></td>
<td>(34,223)</td>
<td>46,951</td>
<td>(26,809)</td>
<td>(14,081)</td>
<td>(6,650)</td>
<td>(7,988)</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>(3,931)</td>
<td>(4,691)</td>
<td>–</td>
<td>(8,622)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Profit/(loss) for the year, representing total comprehensive income</strong></td>
<td>(38,154)</td>
<td>42,260</td>
<td>(26,809)</td>
<td>(22,703)</td>
<td>(6,650)</td>
<td>(25,066)</td>
</tr>
</tbody>
</table>

(1) The financial information is after elimination of inter-company transactions.
5. STATEMENT OF ADJUSTMENTS (CONT’D)

For the year ended 31 December 2015

<table>
<thead>
<tr>
<th></th>
<th>Audited statement of comprehensive income of Xiao Lan Branch (1)</th>
<th>Audited statement of comprehensive income of Xiaolan Xinduhui (1)</th>
<th>Audited statement of comprehensive income of Zhongshan Yuanxin</th>
<th>Audited statement of comprehensive income of Yicai Xinduhui (1)</th>
<th>Unaudited statement of comprehensive income of Xinrui Commercial (1)</th>
<th>Unaudited statement of comprehensive income of Xinteng Commercial (1)</th>
<th>Sub Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>RMB'000</td>
<td>RMB'000</td>
<td>RMB'000</td>
<td>RMB'000</td>
<td>RMB'000</td>
<td>RMB'000</td>
<td>RMB'000</td>
</tr>
<tr>
<td>Business and property related tax</td>
<td>(4,249)</td>
<td>(5,806)</td>
<td>(6,196)</td>
<td>(174)</td>
<td>(1,201)</td>
<td>(273)</td>
<td>(17,899)</td>
</tr>
<tr>
<td>Property and commercial management fees</td>
<td>(5,924)</td>
<td>–</td>
<td>–</td>
<td>(2,352)</td>
<td>–</td>
<td>–</td>
<td>(8,276)</td>
</tr>
<tr>
<td>Other property operating expenses</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total property operating expenses</td>
<td>(10,173)</td>
<td>(5,806)</td>
<td>(6,196)</td>
<td>(2,526)</td>
<td>(1,201)</td>
<td>(273)</td>
<td>(26,175)</td>
</tr>
<tr>
<td>Net property income</td>
<td>(10,173)</td>
<td>101,023</td>
<td>39,254</td>
<td>761</td>
<td>(1,201)</td>
<td>(273)</td>
<td>129,391</td>
</tr>
<tr>
<td>Trustee-Manager’s fee</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other trust expenses</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Depreciation expense of investment properties</td>
<td>–</td>
<td>–</td>
<td>(28,926)</td>
<td>–</td>
<td>(3,441)</td>
<td>(1,728)</td>
<td>(34,095)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(18,419)</td>
<td>(20,420)</td>
<td>(30,074)</td>
<td>(921)</td>
<td>(941)</td>
<td>(312)</td>
<td>(71,087)</td>
</tr>
<tr>
<td>Finance income</td>
<td>2</td>
<td>38</td>
<td>38</td>
<td>2</td>
<td>1</td>
<td>–</td>
<td>81</td>
</tr>
<tr>
<td>Finance costs</td>
<td>–</td>
<td>(29,482)</td>
<td>(20,116)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(49,598)</td>
</tr>
<tr>
<td>Profit/(loss) before income tax</td>
<td>(28,590)</td>
<td>51,159</td>
<td>(39,824)</td>
<td>(158)</td>
<td>(5,582)</td>
<td>(2,313)</td>
<td>(25,308)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(2,805)</td>
<td>(4,584)</td>
<td>–</td>
<td>–</td>
<td>(215)</td>
<td>–</td>
<td>(7,604)</td>
</tr>
<tr>
<td>(Loss)/profit for the year, representing total comprehensive income</td>
<td>(31,395)</td>
<td>46,575</td>
<td>(39,824)</td>
<td>(158)</td>
<td>(5,797)</td>
<td>(2,313)</td>
<td>(32,912)</td>
</tr>
</tbody>
</table>

(1) The financial information is after elimination of inter-company transactions.
5. STATEMENT OF ADJUSTMENTS (CONT’D)

For the year ended 31 December 2015 (Cont’d)

<table>
<thead>
<tr>
<th>Sub Total</th>
<th>Pro forma adjustments</th>
<th>Unaudited pro forma statement of comprehensive income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB’000 Note (i)</td>
<td>RMB’000 Note (ii)</td>
</tr>
<tr>
<td>Gross revenue</td>
<td>155,566</td>
<td>–</td>
</tr>
<tr>
<td>Business and property related tax</td>
<td>(17,899)</td>
<td>–</td>
</tr>
<tr>
<td>Property and commercial management fees</td>
<td>(8,276)</td>
<td>–</td>
</tr>
<tr>
<td>Other property operating expenses</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total property operating expenses</td>
<td>(26,175)</td>
<td>–</td>
</tr>
<tr>
<td>Net property income</td>
<td>129,391</td>
<td>–</td>
</tr>
<tr>
<td>Trustee-Manager’s fee</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other trust expenses</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Depreciation expense of investment properties</td>
<td>(34,095)</td>
<td>(11,082)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(71,087)</td>
<td>–</td>
</tr>
<tr>
<td>Finance income</td>
<td>81</td>
<td>–</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(49,598)</td>
<td>–</td>
</tr>
<tr>
<td>Profit/(loss) before income tax</td>
<td>(25,308)</td>
<td>(11,082)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(7,604)</td>
<td>–</td>
</tr>
<tr>
<td>(Loss)/profit for the year, representing total comprehensive income</td>
<td>(32,912)</td>
<td>(11,082)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 5. STATEMENT OF ADJUSTMENTS (CONT’D)

For the six-month period ended 30 June 2015

<table>
<thead>
<tr>
<th></th>
<th>Unaudited statement of comprehensive income of Dasin Property Xiao Lan Branch(1)</th>
<th>Unaudited statement of comprehensive income of Xiaolan Xinduhui(1)</th>
<th>Unaudited statement of comprehensive income of Zhongshan Yuanxin</th>
<th>Unaudited statement of comprehensive income of Yicai Xinduhui Sub Total Pro forma adjustments</th>
<th>Unaudited pro forma statement of comprehensive income</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RMB’000</td>
<td>–</td>
<td>49,789</td>
<td>20,376</td>
<td>–</td>
<td>70,165</td>
</tr>
<tr>
<td><strong>Business and property related tax</strong></td>
<td>(2,918)</td>
<td>(2,726)</td>
<td>(3,414)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Property and management fees</strong></td>
<td>(3,555)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Other property operating expenses</strong></td>
<td>–</td>
<td>–</td>
<td>(1,641)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total property operating Expenses</strong></td>
<td>(6,473)</td>
<td>(2,726)</td>
<td>(5,055)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net property income</strong></td>
<td>(6,473)</td>
<td>47,063</td>
<td>15,321</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Trustee-Manager’s fee</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other trust expenses</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Depreciation expense of investment properties</td>
<td>–</td>
<td>–</td>
<td>(21,711)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(11,043)</td>
<td>(9,975)</td>
<td>(13,610)</td>
<td>(1,113)</td>
<td>–</td>
</tr>
<tr>
<td>Finance income</td>
<td>1</td>
<td>23</td>
<td>1</td>
<td>–</td>
<td>25</td>
</tr>
<tr>
<td>Finance costs</td>
<td>–</td>
<td>(26,368)</td>
<td>10,511</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Profit before income tax</strong></td>
<td>(17,515)</td>
<td>21,254</td>
<td>(30,510)</td>
<td>(1,113)</td>
<td>(27,884)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(1,929)</td>
<td>(1,180)</td>
<td>–</td>
<td>–</td>
<td>(3,109)</td>
</tr>
<tr>
<td><strong>Profit for the year, representing total comprehensive income</strong></td>
<td>(19,444)</td>
<td>20,074</td>
<td>(30,510)</td>
<td>(1,113)</td>
<td>(30,993)</td>
</tr>
</tbody>
</table>

(1) The financial information is after elimination of inter-company transactions.
## 5. STATEMENT OF ADJUSTMENTS (CONT’D)

For the six-month period ended 30 June 2016

<table>
<thead>
<tr>
<th></th>
<th>Audited statement of comprehensive income of Xiao Lan Branch(1)</th>
<th>Audited statement of comprehensive income of Xiaolan Xinduhui(1)</th>
<th>Audited statement of comprehensive income of Zhongshan Yuanxin</th>
<th>Audited statement of comprehensive income of Yicai Xinduhui(1)</th>
<th>Unaudited statement of comprehensive income of Xinrui Commercial(1)</th>
<th>Unaudited statement of comprehensive income of Xinteng Commercial(1)</th>
<th>Sub Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross revenue</strong></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>RMB’000</td>
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<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
</tr>
<tr>
<td></td>
<td>–</td>
<td>54,568</td>
<td>31,100</td>
<td>7,912</td>
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<td>–</td>
<td>93,580</td>
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<tr>
<td><strong>Business and property related tax</strong></td>
<td>–</td>
<td>(1,746)</td>
<td>(3,797)</td>
<td>(172)</td>
<td>(2,448)</td>
<td>(467)</td>
<td>(8,630)</td>
</tr>
<tr>
<td><strong>Property and commercial management fees</strong></td>
<td>–</td>
<td>(3,372)</td>
<td>–</td>
<td>(479)</td>
<td>–</td>
<td>–</td>
<td>(3,851)</td>
</tr>
<tr>
<td><strong>Other property operating expenses</strong></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total property operating expenses</strong></td>
<td>–</td>
<td>(5,118)</td>
<td>(3,797)</td>
<td>(651)</td>
<td>(2,448)</td>
<td>(467)</td>
<td>(12,481)</td>
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<tr>
<td><strong>Net property income</strong></td>
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<td>49,450</td>
<td>27,303</td>
<td>7,261</td>
<td>(2,448)</td>
<td>(467)</td>
<td>81,099</td>
</tr>
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<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Trustee-Manager’s fee</strong></td>
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<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
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<tr>
<td><strong>Other trust expenses</strong></td>
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<td>–</td>
<td>–</td>
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<td>–</td>
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<tr>
<td><strong>Depreciation expense of investment Properties</strong></td>
<td>–</td>
<td>–</td>
<td>(16,962)</td>
<td>–</td>
<td>(9,578)</td>
<td>(3,456)</td>
<td>(29,996)</td>
</tr>
<tr>
<td><strong>Administrative expenses</strong></td>
<td>(15)</td>
<td>(3,195)</td>
<td>(3,991)</td>
<td>(331)</td>
<td>(220)</td>
<td>(70)</td>
<td>(7,822)</td>
</tr>
<tr>
<td><strong>Finance income</strong></td>
<td>–</td>
<td>14</td>
<td>15</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>35</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>–</td>
<td>(11,863)</td>
<td>(8,663)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(20,526)</td>
</tr>
<tr>
<td><strong>Profit/(loss) before income tax</strong></td>
<td>(15)</td>
<td>34,406</td>
<td>(2,298)</td>
<td>6,931</td>
<td>(12,242)</td>
<td>(3,992)</td>
<td>22,790</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>–</td>
<td>(5,097)</td>
<td>–</td>
<td>(130)</td>
<td>–</td>
<td>–</td>
<td>(5,227)</td>
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<tr>
<td><strong>(Loss)/profit for the year, representing total comprehensive income</strong></td>
<td>(15)</td>
<td>29,309</td>
<td>(2,298)</td>
<td>6,801</td>
<td>(12,242)</td>
<td>(3,992)</td>
<td>17,563</td>
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</table>

(1) The financial information is after elimination of inter-company transactions.
### 5. STATEMENT OF ADJUSTMENTS (CONT’D)

For the six-month period ended 30 June 2016 (Cont’d)

<table>
<thead>
<tr>
<th></th>
<th>Sub Total</th>
<th>Pro forma adjustments</th>
<th>Unaudited pro forma statement of comprehensive income</th>
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</thead>
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<td></td>
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<td>RMB’000</td>
<td>RMB’000</td>
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<td></td>
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<td>Note (ii)</td>
<td>Note (iii)</td>
</tr>
<tr>
<td></td>
<td>Note (iv)</td>
<td>Note (v)</td>
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</tr>
<tr>
<td>Gross revenue</td>
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<tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>Business and property related tax</td>
<td>(8,630)</td>
<td>–</td>
<td>–</td>
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<tr>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Property and commercial management fees</td>
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<td>–</td>
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<td>–</td>
<td>(9,801)</td>
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<tr>
<td>Total property operating expenses</td>
<td>(12,481)</td>
<td>–</td>
<td>(7,822)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net property income</td>
<td>81,099</td>
<td>–</td>
<td>(7,822)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trustee-Manager’s fee</td>
<td>–</td>
<td>–</td>
<td>(6,591)</td>
</tr>
<tr>
<td>Other trust expenses</td>
<td>–</td>
<td>–</td>
<td>(2,269)</td>
</tr>
<tr>
<td>Depreciation expense of investment properties</td>
<td>(29,996)</td>
<td>–</td>
<td>29,996</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(7,822)</td>
<td>–</td>
<td>7,822</td>
</tr>
<tr>
<td>Finance income</td>
<td>35</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(20,526)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit/(loss) before income tax</td>
<td>22,790</td>
<td>–</td>
<td>(8,860)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(5,227)</td>
<td>(5,214)</td>
<td>29,996</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(8,037)</td>
</tr>
<tr>
<td>(Loss)/profit for the year, representing total comprehensive income</td>
<td>17,563</td>
<td>(5,214)</td>
<td>(8,860)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>29,996</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(8,037)</td>
</tr>
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<td></td>
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<td>25,448</td>
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NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 31 DECEMBER 2014 AND
31 DECEMBER 2015 AND THE SIX-MONTH PERIODS ENDED 30 JUNE 2015 AND
30 JUNE 2016

5. STATEMENT OF ADJUSTMENTS (CONT’D)

Notes:

(i) Being adjustments to carve in the expenses of Xiaolan Metro Mall and Dasin E-Colour as disclosed in Note 4(d)(i).

(ii) Being adjustments to reverse the current property management fee previously charged and other non-recurring property operating expenses and record the property and commercial management fees as disclosed in Note 4(d)(vii) and to record the impact of withholding tax on dividend from PRC Companies to Singapore Holding Companies and the tax impact of reversal of non-recurring property operating expenses and interest expense arising from the existing borrowings of Xiaolan Xinduhui.

(iii) Being adjustments to record Trustee-Manager’s fees and other trust expenses relating to Dasin Retail Trust being listed on SGX-ST as disclosed in Note 4(d)(vi) and (viii) respectively.

(iv) Being adjustments to reverse the depreciation expenses of investment properties as the investment properties are recorded at fair value under Dasin Retail Trust as disclosed in Note 4(d)(iv).

(v) Being adjustment to reverse the interest expense arising from the existing borrowings and to record the interest expense under the New Debt Facilities as disclosed in Note 4(d)(iii).

(b) Pro forma statements of financial position of the Trust Group as at 31 December 2015 and 30 June 2016.

The following adjustments have been made in arriving at the pro forma statements of financial position of the Trust Group as at 31 December 2015 and 30 June 2016 based on the assumption that the Significant Events had occurred at 31 December 2015 and 30 June 2016, respectively.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
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<td><strong>As at 31 December 2015</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>926</td>
<td>428,832</td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>926</td>
<td>428,832</td>
</tr>
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<td>Cash and cash equivalents</td>
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<td>5,064</td>
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<td>5,984</td>
<td>1,431</td>
<td>17,425</td>
<td>59,755</td>
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<td>-</td>
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<td>21,644</td>
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<td>5,984</td>
<td>1,431</td>
<td>17,425</td>
<td>59,755</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>909</td>
<td>423,270</td>
</tr>
<tr>
<td>Investment properties</td>
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<td>903,055</td>
<td>-</td>
<td>523,776</td>
<td>205,127</td>
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<td>2,931,042</td>
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<td>1,623</td>
<td>-</td>
<td>-</td>
<td>14,624</td>
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<td>21</td>
<td>4,231</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,269</td>
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<td>86</td>
<td>614</td>
<td>129</td>
<td>3,877</td>
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<td>1,709</td>
<td>524,390</td>
<td>205,256</td>
<td>2,112,408</td>
<td>2,558,295</td>
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<td>2,558,295</td>
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<td>61,714</td>
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<td>538</td>
<td>90</td>
<td>37,446</td>
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<td>5,633</td>
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<tr>
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<td>61,714</td>
<td>917,794</td>
<td>1,709</td>
<td>524,390</td>
<td>205,256</td>
<td>2,112,408</td>
<td>2,558,295</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>1,272</td>
<td>61,714</td>
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<td>-</td>
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<td>524,390</td>
<td>205,256</td>
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<td>2,558,295</td>
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</table>

**Note (i)**

**Note (ii)**
### 5. Statement of Adjustments (Cont'd)

As at 30 June 2016

<table>
<thead>
<tr>
<th></th>
<th>Xiao Lan Branch</th>
<th>Audited statement of financial position of Xiao Lan Branch</th>
<th>Unaudited pro forma statement of financial position of Xiao Lan Branch</th>
<th>Sub Total</th>
<th>Pro forma adjustments</th>
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</tr>
<tr>
<td>Amount due from Sponsor Group</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
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<td></td>
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<td></td>
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<tr>
<td>Investment properties</td>
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<td>Plant and equipment</td>
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<td>Borrowings from financial institutions</td>
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<td></td>
</tr>
<tr>
<td>Rental deposits</td>
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<td></td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
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</tr>
<tr>
<td>Total liabilities</td>
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<td>376,781</td>
<td>404,932</td>
<td>2,727</td>
<td>9,462,591</td>
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<tr>
<td>Net assets</td>
<td></td>
<td>23,336</td>
<td>550,580</td>
<td>7,988</td>
<td>2,702,803</td>
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### Unaudited pro forma statement of financial position of Xinteng Commercial Sub Total

<table>
<thead>
<tr>
<th></th>
<th>Yicai Xinduhui Branch</th>
<th>Audited statement of financial position of Yicai Xinduhui Branch</th>
<th>Unaudited pro forma statement of financial position of Yicai Xinduhui Branch</th>
<th>Sub Total</th>
<th>Pro forma adjustments</th>
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<tbody>
<tr>
<td>Current assets</td>
<td></td>
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<tr>
<td>Cash and cash equivalents</td>
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<td>5,345</td>
<td>620</td>
<td>10,000</td>
<td>7,700 (403,031)</td>
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<tr>
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<tr>
<td>Amount due from Sponsor Group</td>
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<tr>
<td>Non-current assets</td>
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<tr>
<td>Trade and other receivables</td>
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<td>Investment properties</td>
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<tr>
<td>Plant and equipment</td>
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<td>3,379</td>
<td>3,379</td>
<td>3,379</td>
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<tr>
<td>Amount due from Sponsor Group</td>
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<tr>
<td>Total assets</td>
<td></td>
<td>5,345</td>
<td>5,345</td>
<td>10,000</td>
<td>12,000</td>
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<tr>
<td>Current liabilities</td>
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<tr>
<td>Borrowings from financial institutions</td>
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<tr>
<td>Trade and other payables</td>
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<tr>
<td>Amount due to Sponsor Group</td>
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<tr>
<td>Tax payable</td>
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<tr>
<td>Non-current liabilities</td>
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<tr>
<td>Borrowings from financial institutions</td>
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<tr>
<td>Amount due to Sponsor Group</td>
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<td>Rental deposits</td>
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<td>Deferred tax liabilities</td>
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<td>Total liabilities</td>
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<tr>
<td>Net assets</td>
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### Unaudited pro forma statement of financial position of Xinrui Commercial Sub Total

<table>
<thead>
<tr>
<th></th>
<th>Zhongshan Yuanxin Branch</th>
<th>Audited statement of financial position of Zhongshan Yuanxin Branch</th>
<th>Unaudited pro forma statement of financial position of Zhongshan Yuanxin Branch</th>
<th>Sub Total</th>
<th>Pro forma adjustments</th>
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<tbody>
<tr>
<td>Current assets</td>
<td></td>
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<tr>
<td>Cash and cash equivalents</td>
<td>139</td>
<td>680</td>
<td>37,549</td>
<td>37,549</td>
<td>12,000</td>
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<tr>
<td>Trade and other receivables</td>
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<td>Amount due from Sponsor Group</td>
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<tr>
<td>Non-current assets</td>
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<tr>
<td>Trade and other receivables</td>
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<td>Investment properties</td>
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<tr>
<td>Plant and equipment</td>
<td>6</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
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<tr>
<td>Amount due from Sponsor Group</td>
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<tr>
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<td>680</td>
<td>37,549</td>
<td>37,549</td>
<td>12,000</td>
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<tr>
<td>Current liabilities</td>
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<tr>
<td>Borrowings from financial institutions</td>
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<td>Trade and other payables</td>
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<td>Amount due to Sponsor Group</td>
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<td>Tax payable</td>
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<tr>
<td>Non-current liabilities</td>
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<tr>
<td>Borrowings from financial institutions</td>
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<tr>
<td>Amount due to Sponsor Group</td>
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<tr>
<td>Rental deposits</td>
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<tr>
<td>Deferred tax liabilities</td>
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<tr>
<td>Total liabilities</td>
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<tr>
<td>Net assets</td>
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5. STATEMENT OF ADJUSTMENTS (CONT’D)

Notes:

(i) Being adjustments to record (a) the net proceeds from the issuance of units in Dasin Retail Trust as disclosed in Note 4(d)(ii); (b) settlement of balances with Sponsor Group; (c) acquisition of the Initial Portfolio Business and the revaluation of assets and liabilities based on their fair value and the corresponding deferred tax liabilities arising from acquisition accounting as disclosed in Note 4(d)(iv) and (v) and (d) cash balances which deviate from the cash reserve as disclosed in Note 4(d)(ix).

(ii) Being adjustment to record net proceeds from New Debt Facilities and settlement of the existing borrowings drawn as disclosed in Note 4(d)(iii).

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Trust Group, which are consistent with the significant accounting policies in preparing the Unaudited Pro Forma Financial Information in this report, are as follows:

(a) Basis of accounting

The Unaudited Pro Forma Financial Information presented in Chinese Yuan (RMB) and rounded to the nearest thousand, is prepared in accordance with the basis set out in Note 4, and are drawn up in accordance with the International Financial Reporting Standards (“IFRS”). The Unaudited Pro Forma Financial Information has been in accordance with the historical cost convention except for certain financial instruments which are stated at fair value, as explained in the significant accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payments, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.
6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

(a) Basis of accounting (Cont’d)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(b) Basis of consolidation

The Unaudited Pro Forma Financial Information incorporates the financial information of Dasin Retail Trust and entities (including structured entities) controlled by Dasin Retail Trust and its subsidiaries.

Control is achieved when Dasin Retail Trust:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Dasin Retail Trust reassesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when Dasin Retail Trust obtains control over the subsidiary and ceases when Dasin Retail Trust loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in profit or loss of the consolidated statement of comprehensive income from the date Dasin Retail Trust gains control until the date when Dasin Retail Trust ceases to control the subsidiary.

When necessary, adjustments are made to the financial information of subsidiaries to align their accounting policies with those of the Trust Group.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Trust Group are eliminated in full on consolidation.
6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

(c) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Trust Group, liabilities incurred by the Trust Group to the former owners of the acquiree and the equity interests issued by the Trust Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting date and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with IAS 39 Financial Instruments: Recognition and Measurement, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, Dasin Retail Trust’s previously held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date Dasin Retail Trust attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the IFRS are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree’s share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in IFRS 2 Share-based Payment at the acquisition date; and
6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

(c) Business combinations (Cont’d)

- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

(d) Financial instruments recognition, measurement and derecognition

Financial assets and financial liabilities are recognised when a Trust Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as “loans and receivables”. Loans and receivables (including trade and other receivables and bank balances and cash) are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Available-for-sale investments

Certain shares and debt securities held by the Trust Group are classified as being available for sale and are stated at fair value. Fair value is determined in the manner described in Note 13. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss
previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Trust’s right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the available-for-sale monetary asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all financial assets, objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty; or
– breach of contract, such as a default or delinquency in interest or principal payments; or
– it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
– the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Trust Group’s past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.
6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

(d) Financial instruments recognition, measurement and derecognition (Cont’d)

Impairment of financial assets (Cont’d)

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset’s carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Trust Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Trust Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Trust Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. The Trust Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Trust Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.
6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

(d) Financial instruments recognition, measurement and derecognition (Cont’d)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Trust Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a Trust Group entity after deducting all of its liabilities. Equity instruments issued by a Trust Group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including borrowings and trade and other payables) are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Trust Group derecognises financial liabilities when, and only when, the Trust Group’s obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(e) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

(e) Leases (Cont’d)

The Trust Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

(f) Investment properties

Investment properties, are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Trust Group’s property interests held under operating leases to earn rental or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

(g) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised so as to write off the cost of items of plant and equipment, over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gains or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset is recognised in profit or loss.

(h) Unitholders’ funds

Unitholders’ funds represent the unitholder’s residual interest in the Trust Group’s net assets upon termination and is classified as equity.
6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

(i) Reserves

Reserves represent the difference between fair value and cost of the units issued to Aqua Wealth and Bounty Way and a gain on bargain purchase from acquisition of the Initial Portfolio which is recognised in equity as a deemed capital contribution from the Sponsor as Aqua Wealth and Bounty Way are under common control of the Sponsor.

(j) Issue costs

Unit issue costs are transactions costs relating to issue of units in Dasin Retail Trust which are accounted for as a deduction from the proceeds raised to the extent they are incremental costs directly attributable to the transactions that otherwise would have been avoided. Other transaction costs are recognised as expense in profit or loss.

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the course of the ordinary activities net of discounts.

Rental income

Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

Revenue from rendering of services

Revenue from rendering of services pertains to carpark revenue, advertising revenue, tenant promotional fee and other income attributable to the operation of the Properties. Such services are of short duration and is recognised when the services are completed.

Finance income

Finance income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.
6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

(l) Expenses

Property operating expenses

Operating expenses consist of business tax and other taxes, real estate tax, land use tax, property and commercial management fees, utility expenses, maintenance expenses, advertising and promotion, salary and related expenses and general and administrative expenses in relation to investment properties where such expenses are the responsibility of the Group.

Trustee-Manager’s fee and property and commercial management fees

Trustee-Manager’s fee and property and commercial management fee are recognised on an accrual basis using the applicable formula stipulated in Note 22.

(m) Borrowing costs

Borrowing costs comprise interest expense on interest-bearing borrowings and amortisation of borrowings related costs, which are recognised in profit or loss using the effective interest rate method over the period for which the interest-bearing borrowings are granted.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(n) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit before tax” as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Trust Group’s current tax is calculated using tax rates that have been enacted or substantively enacted in countries where Dasin Retail Trust and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.
(n) Income tax (Cont’d)

Deferred tax liabilities are recognised on taxable temporary differences associated with investments in subsidiaries, except where the Trust Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

When a business combination occurs, deferred tax balances can arise from fair value adjustments on consolidation resulting in carrying amounts of assets or liabilities in the consolidated financial statements that differ from the carrying amounts in the acquiree’s financial statement and, consequently, from their tax bases when equivalent adjustments are not recognised for tax purpose.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Trust Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.
6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

(o) Foreign currency

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The accompanying financial information of the Trust Group are presented in RMB, which is the functional currency of Dasin Retail Trust and the presentation currency for the Unaudited Pro Forma Financial Information.

In preparing the financial information of each individual Trust Group entity, transactions in currencies other than the Trust Group’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monicetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monicetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

(p) Segment information

Operating segments are identified on the basis of internal reports about components of Dasin Retail Trust that are regularly reviewed by the chief operating decision maker, which is the management of the Trustee-Manager, in order to allocate resources to segments and to assess their performance.

Dasin Retail Trust owns three properties as at the Listing Date which are all located in PRC. Revenue and net property income of the three properties (which constitute an operating segment on an aggregated basis) are the measures reported to the Trustee-Manager for the purposes of resource allocation and performance assessment. The Trustee-Manager considers that the three properties held by Dasin Retail Trust have similar economic characteristics and have similar nature in providing leasing services to similar type of tenants for rental income. In addition, the cost structure and the economic environment in which each of the three properties operate are similar. Therefore, the Trustee-Manager concluded that the three properties should be aggregated into a single reportable segment and no further analysis for segment information is presented by property.

(q) Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents in the statements of cash flows comprise cash on hand and demand deposits, bank overdrafts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.
7. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies adopted by the Trust Group, which are described in Note 6, the management of the Trust Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying Dasin Retail Trust's accounting policies, the Trustee-Manager is of the opinion that there are no instances of application of judgments or the use of estimation techniques which may have a significant effect on the amounts recognised in the financial statements other than as follows:

(a) Valuation of investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. In determining the fair values of the Initial Portfolio, the valuers have used and considered various valuation techniques including income capitalisation approach and direct comparison method, which involve the making of certain assumptions and estimates. The Trustee-Manager has exercised its judgement and is satisfied that the valuation methods, assumptions and estimates are reflective of the prevailing conditions in PRC, where the Initial Portfolio are located.

8. GROSS REVENUE

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
</tr>
<tr>
<td>Rental income</td>
<td>88,823</td>
<td>95,471</td>
<td>139,096</td>
<td>67,242</td>
<td>75,359</td>
</tr>
<tr>
<td>Other revenue</td>
<td>8,086</td>
<td>7,119</td>
<td>16,470</td>
<td>2,923</td>
<td>18,221</td>
</tr>
<tr>
<td></td>
<td>96,909</td>
<td>102,590</td>
<td>155,566</td>
<td>70,165</td>
<td>93,580</td>
</tr>
</tbody>
</table>

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DASIN RETAIL TRUST AND ITS SUBSIDIARIES  
NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION  

9. FINANCE COSTS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
</tr>
<tr>
<td>Interest expense on bank borrowings</td>
<td>36,326</td>
<td>36,326</td>
<td>36,326</td>
<td>18,163</td>
<td>18,163</td>
</tr>
<tr>
<td>Amortisation of capitalised loan facility fee</td>
<td>20,800</td>
<td>20,800</td>
<td>20,800</td>
<td>10,400</td>
<td>10,400</td>
</tr>
<tr>
<td></td>
<td>57,126</td>
<td>57,126</td>
<td>57,126</td>
<td>28,563</td>
<td>28,563</td>
</tr>
</tbody>
</table>

10. INCOME TAX EXPENSE

The Trust Group’s operating subsidiaries operate in People’s Republic of China and are subject to income tax in People’s Republic of China.

(a) Income tax expense

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
</tr>
<tr>
<td>Current tax</td>
<td>12,233</td>
<td>14,139</td>
<td>17,794</td>
<td>8,334</td>
<td>8,191</td>
</tr>
<tr>
<td>Withholding tax</td>
<td>4,355</td>
<td>2,939</td>
<td>3,855</td>
<td>1,786</td>
<td>2,250</td>
</tr>
<tr>
<td></td>
<td>16,588</td>
<td>17,078</td>
<td>21,649</td>
<td>10,120</td>
<td>10,441</td>
</tr>
</tbody>
</table>
### 10. INCOME TAX EXPENSE (CONT’D)

(b) Reconciliation of income tax provision and the income tax computed at the tax rate prevailing

<table>
<thead>
<tr>
<th></th>
<th>Year ended</th>
<th>Year ended</th>
<th>Year ended</th>
<th>Six-month period ended</th>
<th>Six-month period ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 December</td>
<td>31 December</td>
<td>31 December</td>
<td>30 June 2015</td>
<td>30 June 2016</td>
</tr>
<tr>
<td>(Loss)/profit before income tax</td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
<td>RMB’000</td>
</tr>
<tr>
<td>(Loss)/profit before income tax</td>
<td>(1,392)</td>
<td>(7,988)</td>
<td>32,661</td>
<td>12,619</td>
<td>35,889</td>
</tr>
<tr>
<td>Tax calculated at PRC rate of 25%</td>
<td>(348)</td>
<td>(1,997)</td>
<td>8,165</td>
<td>3,155</td>
<td>8,972</td>
</tr>
<tr>
<td>Withholding tax</td>
<td>4,355</td>
<td>(2,939)</td>
<td>3,855</td>
<td>1,786</td>
<td>2,250</td>
</tr>
<tr>
<td>Effects of items that are not deductible in determining taxable profit</td>
<td>12,581</td>
<td>16,136</td>
<td>9,629</td>
<td>5,179</td>
<td>2,162</td>
</tr>
<tr>
<td>Effects of previously unrecognised and unused tax losses</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(2,943)</td>
</tr>
<tr>
<td>Total income tax expense</td>
<td>16,588</td>
<td>17,078</td>
<td>21,649</td>
<td>10,120</td>
<td>10,441</td>
</tr>
</tbody>
</table>

### 11. EARNINGS PER UNIT

The calculation of earnings per unit is based on (loss)/profit attributable to unitholders of Dasin Retail Trust of RMB (17,980,000), RMB (25,066,000), RMB 11,012,000, RMB 2,499,000 and RMB 25,448,000 for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016, respectively, and 549,606,331 units in issue.
12. TRADE AND OTHER RECEIVABLES

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB’000</td>
<td>RMB’000</td>
</tr>
<tr>
<td>Non-current receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effective rental</td>
<td>14,587</td>
<td>16,448</td>
</tr>
<tr>
<td>receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposit paid for</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td>acquisition of plant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>14,624</td>
<td>16,485</td>
</tr>
<tr>
<td>Current receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>8,474</td>
<td>9,026</td>
</tr>
<tr>
<td>Effective rental</td>
<td>2,117</td>
<td>2,416</td>
</tr>
<tr>
<td>receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td>1,236</td>
<td>2,364</td>
</tr>
<tr>
<td></td>
<td>11,827</td>
<td>13,806</td>
</tr>
</tbody>
</table>

Accounts receivable represent rental receivables which are due for settlement upon issuance of monthly debit notes to the tenants.

In determining the recoverability of accounts receivable, the Trust Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the date of the reporting period. Allowance for bad and doubtful debts are generally not required for rental receivables as the Trust Group has collected rental deposits from the tenants to secure any potential losses from uncollectible debts.

13. AVAILABLE FOR SALE INVESTMENTS

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB’000</td>
<td>RMB’000</td>
</tr>
<tr>
<td>Quoted equity shares, at</td>
<td></td>
<td></td>
</tr>
<tr>
<td>fair value</td>
<td>–</td>
<td>12,000</td>
</tr>
</tbody>
</table>

The investments above are investments in quoted equity securities that offer the Trust Group the opportunity for return through dividend income and fair value gains. The fair values of these securities are based on the quoted closing market prices on the last market day of the financial year.

The fair value of the available for sale investments fall under level 1 of the fair value hierarchy.
### 14. INVESTMENT PROPERTIES

<table>
<thead>
<tr>
<th>Description of Property</th>
<th>Year of completion</th>
<th>Term of lease (years)</th>
<th>Location</th>
<th>Existing use</th>
<th>Valuation(1) RMB’000 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xiaolan Metro Mall</td>
<td>2005</td>
<td>28</td>
<td>Zhongshan, China</td>
<td>Retail Mall</td>
<td>2,341,500</td>
</tr>
<tr>
<td>Ocean Metro Mall</td>
<td>2014</td>
<td>31</td>
<td>Zhongshan, China</td>
<td>Retail Mall</td>
<td>1,896,500</td>
</tr>
<tr>
<td>Dasin E-Colour</td>
<td>2015</td>
<td>30</td>
<td>Zhongshan, China</td>
<td>Retail Mall</td>
<td>325,000</td>
</tr>
</tbody>
</table>

**Note:**

(1) The fair value of the properties fall under level 3 of the fair value hierarchy.

Independent valuations of the investment properties were undertaken by Savills Valuation and Professional Services Limited and Colliers International (Hong Kong) Ltd as of 30 June 2016. These firms are independent valuers having appropriate professional qualifications and recent experience in the location and categories of the investment properties being valued. The investment properties are measured based on the average of the independent valuations.

Details of valuation techniques and significant unobservable inputs used in the fair value measurement are as follows:

<table>
<thead>
<tr>
<th>Valuation methodology</th>
<th>Significant unobservable inputs (level 3)</th>
<th>Range</th>
<th>Relationship of unobservable inputs to fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income capitalisation method</td>
<td>Reversionary yield</td>
<td>4% to 5%</td>
<td>The estimated fair value would increase if the reversionary yield were lower</td>
</tr>
<tr>
<td>Discounted cash flow analysis method</td>
<td>Capitalisation rate</td>
<td>3.50% to 4.25%</td>
<td>The estimated fair value would increase if the capitalisation rate were lower</td>
</tr>
<tr>
<td></td>
<td>Discount rate</td>
<td>6.25% to 6.50%</td>
<td>The estimated fair value would decrease if discount rate were higher</td>
</tr>
<tr>
<td></td>
<td>Structural vacancy</td>
<td>2%</td>
<td>The estimated fair value would increase if the structural vacancy were lower</td>
</tr>
</tbody>
</table>

The investment properties are mortgaged to financial institutions to secure the borrowings (see Note 16).
15. TRADE AND OTHER PAYABLES

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts received in advance from tenants</td>
<td>10,215</td>
<td>9,173</td>
</tr>
<tr>
<td>Rental deposits received</td>
<td>3,669</td>
<td>4,698</td>
</tr>
<tr>
<td>Other deposits received</td>
<td>4,272</td>
<td>883</td>
</tr>
<tr>
<td>Other tax payables</td>
<td>3,755</td>
<td>5,606</td>
</tr>
<tr>
<td>Renovation cost payables</td>
<td>6,201</td>
<td>5,394</td>
</tr>
<tr>
<td>Payroll payables</td>
<td>2,785</td>
<td>144</td>
</tr>
<tr>
<td>Other payables</td>
<td>5,277</td>
<td>4,343</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36,174</strong></td>
<td><strong>30,241</strong></td>
</tr>
</tbody>
</table>

16. BORROWINGS FROM FINANCIAL INSTITUTIONS

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank borrowings (secured)</td>
<td>1,250,000</td>
<td>1,250,000</td>
</tr>
<tr>
<td>Less: Unamortised debt issuance cost</td>
<td>(51,100)</td>
<td>(51,100)</td>
</tr>
<tr>
<td><strong>Non-current portion</strong></td>
<td><strong>1,198,900</strong></td>
<td><strong>1,198,900</strong></td>
</tr>
</tbody>
</table>

The Trust Group has in place an aggregate amount of RMB 400,000,000 onshore term loans (the “Onshore Facilities”) and a RMB 2,500,000,000 syndicated term loan (the “Offshore Facilities”). The key terms of the Onshore Facilities and the Offshore Facilities are as follows:

Onshore Facilities

Certain subsidiaries of the Trust Group have in place an aggregate amount of RMB 400,000,000 onshore term loans from various financial institutions. The Onshore Facilities have a maturity of 4.5 years. The Onshore Facilities have an effective interest rate of approximately 5.23% per annum including the upfront debt issuance costs.
16. BORROWINGS FROM FINANCIAL INSTITUTIONS (CONT’D)

Onshore Facilities (Cont’d)

The Onshore Facilities are secured by:

- unconditional and irrevocable guarantee from each of the PRC Companies except for Zhongshan Yuanxin and each of the rental management companies;
- a first ranking mortgage over the investment properties (Note 14) of the Trust Group;
- pledge of all sales proceeds, rental income and receivables derived from the investment properties (Note 14);
- assignment of all material agreement (including property management agreements, asset management agreements, master lease agreements and underlying retail leases etc.) in relation to the investment properties;
- assignment of all insurance policies in relation to the investment properties (Note 14) with the Bank of China Limited, Zhongshan Branch, named as first beneficiary;
- any other security as may be reasonably required by the onshore lenders; and
- an account control agreement.

Offshore Facilities

The Trust Group has in place a RMB 2,500,000,000 syndicated term loan provided by various financial institutions. The Offshore Facilities have different maturities between two and four years. As at the listing date, the Trust Group will draw down RMB 850,000,000. The Offshore Facilities have an effective interest rate of 4.25% to 4.27% per annum including the upfront debt issuance costs.

The Offshore Facilities are secured by:

- unconditional and irrevocable guarantees from each of the Singapore Holding Companies;
- first ranking pledges over the entire issued share capital/equity interest of each of the PRC companies;
- first priority account charge over all bank accounts of the Singapore Holding Companies;
- first fixed and floating charge and debenture over all the assets of the Singapore Holding Companies;
16. BORROWINGS FROM FINANCIAL INSTITUTIONS (CONT’D)

Offshore Facilities (Cont’d)

- assignment of all rights and benefits under all material agreements, insurances and property management agreements;

- assignment of all present and future rights and interests of the offshore borrower in relation to inter-company debts and shareholders loans made to and by the onshore borrower and/or the Singapore Holding Companies and all dividends declared/upstreamed from each of the PRC companies; and

- subordination of inter-company debts and shareholder loans made to the Singapore Holding Companies.

17. DEFERRED TAX LIABILITIES

Deferred tax liabilities recognised relate to the fair value adjustment of investment properties on acquisition.

18. UNITHOLDERS’ FUNDS

<table>
<thead>
<tr>
<th>Number of units</th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units issued to the unitholders</td>
<td>'000</td>
<td>RMB’000</td>
</tr>
<tr>
<td>prior to listing</td>
<td>366,587</td>
<td>66,077</td>
</tr>
<tr>
<td>Units issued under the public offering</td>
<td>183,019</td>
<td>707,185</td>
</tr>
<tr>
<td></td>
<td>549,606</td>
<td>773,262</td>
</tr>
<tr>
<td>Less: Equity issue expenses</td>
<td></td>
<td>(69,570)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>703,692</td>
</tr>
<tr>
<td>Reserves</td>
<td>1,981,223</td>
<td>1,999,111</td>
</tr>
<tr>
<td>Unitholders’ funds</td>
<td>2,684,915</td>
<td>2,702,803</td>
</tr>
</tbody>
</table>
## 19. List of Subsidiaries of the Trust Group

Details of the subsidiaries of the Trust Group are as follows:

<table>
<thead>
<tr>
<th>Name of subsidiary</th>
<th>Country of incorporation and operation</th>
<th>Proportion of ownership interest %</th>
<th>Principal activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Held by Dasin Retail Trust</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singapore Dasin Commercial Holdings Pte. Ltd.</td>
<td>Singapore</td>
<td>100</td>
<td>Investment holdings</td>
</tr>
<tr>
<td>Held by Singapore Dasin Commercial Holdings Pte. Ltd.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yi Xin Investments Pte. Ltd.</td>
<td>Singapore</td>
<td>100</td>
<td>Investment holdings</td>
</tr>
<tr>
<td>Lan Xin Investments Pte. Ltd.</td>
<td>Singapore</td>
<td>100</td>
<td>Investment holdings</td>
</tr>
<tr>
<td>Yuan Xin Investments Pte. Ltd.</td>
<td>Singapore</td>
<td>100</td>
<td>Investment holdings</td>
</tr>
<tr>
<td>Yi Xin Management Pte. Ltd.</td>
<td>Singapore</td>
<td>100</td>
<td>Investment holdings</td>
</tr>
<tr>
<td>Lan Xin Management Pte. Ltd.</td>
<td>Singapore</td>
<td>100</td>
<td>Investment holdings</td>
</tr>
<tr>
<td>(Collectively the “Singapore Holding Companies”)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held by Yi Xin Investments Pte. Ltd.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zhongshan Xinteng Commercial Management Co., Ltd.</td>
<td>People’s Republic of China</td>
<td>100</td>
<td>Property Investment (Dasin E-Colour)</td>
</tr>
<tr>
<td>Held by Lan Xin Investments Pte. Ltd.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zhongshan Xinrui Commercial Management Co., Ltd.</td>
<td>People’s Republic of China</td>
<td>100</td>
<td>Property Investment (Xiaolan Metro Mall)</td>
</tr>
<tr>
<td>Held by Yuan Xin Investments Pte. Ltd.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zhongshan Yuanxin Commercial Property Management Co., Ltd.</td>
<td>People’s Republic of China</td>
<td>100</td>
<td>Property Investment (Ocean Metro Mall)</td>
</tr>
<tr>
<td>Held by Yi Xin Management Pte. Ltd.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zhongshan Yicai Dasin Xinduhui Commercial Management Co., Ltd.</td>
<td>People’s Republic of China</td>
<td>100</td>
<td>Rental Management (Dasin E-Colour)</td>
</tr>
<tr>
<td>Held by Lan Xin Management Pte. Ltd.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zhongshan Xiaolan Dasin Xinduhui Commercial Management Co., Ltd.</td>
<td>People’s Republic of China</td>
<td>100</td>
<td>Rental Management (Xiaolan Metro Mall)</td>
</tr>
<tr>
<td>(Collectively the “PRC Companies”)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
20. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

(a) Categories of financial instruments

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and receivables (including cash and cash equivalents)</td>
<td>86,710</td>
<td>88,390</td>
</tr>
<tr>
<td>Available-for-sale-investments</td>
<td>–</td>
<td>12,000</td>
</tr>
</tbody>
</table>

(b) Financial risk management policies and objectives

The management of the Trust Group identifies, evaluates and manages financial risks and provides guidelines for overall risk management, covering specific areas, such as mitigating credit risks, interest rate risks and liquidity risks.

(i) Liquidity risk

Liquidity risk reflects the risk that the Trust Group will have insufficient resources to meet its financial liabilities as they fall due.

The following tables detail the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Trust Group can be required to pay. The table includes both interest and principal cash flows.
20. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONT’D)

(b) Financial risk management policies and objectives (Cont’d)

(i) Liquidity risk (Cont’d)

Non-derivative financial assets

Substantially all financial assets of the Trust Group as at 31 December 2015 and 30 June 2016 are on demand or due within one year.

(ii) Credit risk

Credit risk is the potential financial loss resulting from the failure of a tenant or counterparty to settle its financial and contractual obligations to the property companies, as and when they fall due. Dasin Retail Trust has adopted a policy of obtaining cash deposits from tenants to mitigate the risk of financial loss from default. Credit evaluations are performed by the Property Manager on behalf of the Trustee-Manager.

The credit risk on liquid funds is limited as cash and cash equivalents are placed with reputable financial institutions which are regulated.

(iii) Interest rate risk

The Trust Group’s exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. The Trust Group’s policy is to maintain its borrowings in fixed rate instruments and the terms of repayment of the Trust Group's borrowings and its interest rate are shown in Note 16. The Trust Group does not currently hold or issue derivative instruments to hedge its interest rate instruments.

No sensitivity analysis is prepared as the Trust Group does not expect any material effect on the Trust Group’s profit or loss and equity arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments as the Trust Group’s borrowings are at fixed interest rate.

(iv) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The long-term borrowings are fixed rate loans and their carrying amounts approximate their fair values given the low interest rate environment.
20. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONT’D)

(c) Capital risk management policies and objectives

Dasin Retail Trust manages its capital to ensure that the Trust Group will be able to continue as a going concern while maximising the return to Unitholders through the optimisation of debt and net assets attributable to Unitholders, and to ensure that all other externally imposed capital requirements are complied with.

In addition, the Trust Group also specifically monitors the financial ratios of its debt covenants stated in the agreements with the financial institutions providing the loan facilities to the Trust Group. The Trust Group was in compliance with externally imposed capital requirements for the years ended 31 December 2013, 31 December 2014 and 31 December 2015 and the six-month periods ended 30 June 2015 and 30 June 2016.

21. OPERATING LEASE COMMITMENT

The Trust Group as lessor

At the end of the reporting period, the Trust Group has contracted with tenants for the following future minimum lease payments:

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2015</th>
<th>As at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>118,288 RMB’000</td>
<td>87,414 RMB’000</td>
</tr>
<tr>
<td>In the second to fifth year inclusive</td>
<td>290,162 RMB’000</td>
<td>197,832 RMB’000</td>
</tr>
<tr>
<td>After five years</td>
<td>232,411 RMB’000</td>
<td>148,959 RMB’000</td>
</tr>
<tr>
<td></td>
<td>640,861 RMB’000</td>
<td>434,205 RMB’000</td>
</tr>
</tbody>
</table>

22. TRUSTEE-MANAGER’S FEE AND PROPERTY AND COMMERCIAL MANAGEMENT FEES

(a) Trustee-Manager’s Fee

A base fee of 0.25% per annum of the value of the Trust Property to be paid quarterly.

A performance fee calculated at a rate not exceeding 25.0% of the difference in DPU in a financial year with the DPU in the preceding full financial year (calculated before accounting for the performance fee in each financial year) multiplied by the weighted average number of units in issue for such financial year.

A trustee fee of up to 0.02% per annum of the value of the Trust Property of Dasin Retail Trust (excluding out of pocket expenses and GST) to be paid quarterly.
22. TRUSTEE-MANAGER’S FEE AND PROPERTY AND COMMERCIAL MANAGEMENT FEES (CONT’D)

(a) Trustee-Manager’s Fee (Cont’d)

Any increase in the rates set out above or any change in the formula for calculation of the fee must be passed by an extraordinary resolution at a Unitholders’ meeting duly convened and held in accordance with the provisions of the Trust Deed.

The fees are payable to the Trustee-Manager in the form of cash and/or units in such proportion as may be determined by the Trustee-Manager.

(b) Property and Commercial Management Fees

A property and commercial management fee of 2.0% of the monthly Gross Revenue (consists of gross rental income and other operating income generated from the relevant property) of the relevant property, and paid monthly, comprising the property management fees of 1.0% payable to the Property Manager for its property management services provided for the properties in Dasin Retail Trust’s portfolio and commercial management fees of 1.0% payable to the Commercial Manager for its marketing services provided for the properties in Dasin Retail Trust’s portfolio. The property and commercial management fees are payable to the Property Manager and Commercial Manager in the form of cash.

23. EVENTS AFTER THE REPORTING PERIOD

On 13 January 2017, Singapore Dasin Commercial Holdings Pte. Ltd. entered into a framework agreement with Mr. Zhang Zhencheng and Zhongshan Dasin Management and Investment Co., Ltd. for Dasin Retail Trust to acquire the Shiqi Metro Mall and Zhongshan Shiqi Dasin Xinduhui Commercial Management Co., Ltd., the rental management company of Shiqi Metro Mall at a purchase consideration of approximately RMB 1,224 million.

24. APPROVAL OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Unaudited Pro Forma Financial Information set out on pages C-1 to C-47 was approved by the Board of Directors of Dasin Retail Trust Management Pte. Ltd. on 13 January 2017.
Independent Taxation Report

13 January 2017

The Board of Directors
Dasin Retail Trust Management Pte. Ltd.
(as Trustee-Manager of Dasin Retail Trust)
8 Marina Boulevard
#14-02 Marina Bay Financial Centre Tower 1
Singapore 018981

Dear Sirs:

This letter has been prepared at the request of Dasin Retail Trust Management Pte. Ltd. (as Trustee-Manager of Dasin Retail Trust) (“Trustee-Manager” or “Trustee” as appropriate) for inclusion in the Prospectus to be issued in relation to the initial public offering of the Units in Dasin Retail Trust (“Units”) on the Singapore Exchange Securities Trading Limited (“SGX”).

The purpose of this letter is to provide prospective purchasers of the Units with an overview of the Singapore tax consequences of the subscription, purchase, ownership and disposition of the Units on the basis of the transaction structure for the IPO Portfolio. This letter principally addresses investors who hold the Units as investment assets. Investors who hold or acquire the Units for dealing purposes should consult their own tax advisers concerning the tax consequences of their particular situations.

This letter also provides an overview of the tax consequences in Singapore and the People’s Republic of China (“the PRC”) that may be applicable to the entities held directly or indirectly by Dasin Retail Trust for the IPO Portfolio.

This letter is not a tax advice and does not attempt to describe comprehensively all the tax considerations that may be relevant to a decision to subscribe, purchase, own or dispose of the Units. Prospective investors of the Units should consult their own tax advisers to take into account the tax law applicable to their particular situations. In particular, prospective investors who are not Singapore tax residents are advised to consult their own tax advisers to take into account the tax laws of their respective countries of residence and the existence of any tax treaty which their countries of residence may have with Singapore.

This letter is based on the Singapore and the PRC tax laws and the relevant interpretations thereof current as at the date of this letter which are subject to change, possibly with retroactive effect.

Words and expressions in this letter have the same meaning as defined in the Prospectus. In addition, unless the context requires otherwise, words in the singular include the plural and the other way around and words of one gender include any gender.
Singapore Taxation

Income Tax

Singapore taxation of trusts registered under the Business Trusts Act (Chapter 31A) ("Business Trusts Act")

A trust registered under the Business Trusts Act is treated like a company under the one-tier system for income tax purposes. This tax treatment is effective from the first year such a trust commences operation as a registered business trust. Accordingly, like a company under the one-tier system, a registered business trust is subject to Singapore income tax in accordance with the same provisions of the income tax laws applicable to a company.

The income of a registered business trust is taxed at the trustee level. Under current Singapore income tax law, the taxable income of a registered business trust comprises:

(a) income accruing in or derived from Singapore; and

(b) unless otherwise exempt, income derived from outside Singapore (i.e., foreign-sourced income) which is received in Singapore or deemed to have been received in Singapore by the operation of law.

Singapore income tax is imposed on the chargeable income of a registered business trust after deduction of allowable expenses and any allowances permitted under the law. The tax is assessed on the trustee-manager of the registered business trust.

The first S$300,000 of chargeable income of a registered business trust is exempt from tax as follows:

(a) 75.0% of up to the first S$10,000 of chargeable income; and

(b) 50.0% of up to the next S$290,000 of chargeable income.

The remaining chargeable income (after deducting the applicable tax exemption on the first S$300,000 of chargeable income) will be taxed at the prevailing corporate tax rate, currently 17.0%. The distributions made by a registered business trust to its unitholders are exempt from Singapore income tax in the hands of the unitholders, regardless of their nationality, corporate identity or tax residence status. No credit will be allowed in Singapore to the unitholders for any tax paid by the trustee-manager on the income of the registered business trust.

For tax purposes, a registered business trust is considered a tax resident of Singapore if:

(a) the trustee of the registered business trust in his capacity as such carries on a trade or business in Singapore; and

(b) the control and management of the business of the registered business trust is in Singapore.

There is no capital gains tax in Singapore. However, gains from the sale of investments are generally chargeable to tax if such gains arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains, even if they do not arise from an activity in the ordinary course of trade or business or from an ordinary incident of some other business activity, may also be considered gains or profits of an income nature if the investments were acquired with the intent or purpose of making a profit from their subsequent sale and not for long-term investment purposes.
Taxation of Dasin Retail Trust

Except as detailed in the paragraphs below, Dasin Retail Trust is liable to Singapore income tax on the following income:

(a) income accruing in or derived from Singapore; and
(b) income derived from outside Singapore (i.e. foreign-sourced income) which is received in Singapore or deemed to have been received in Singapore by the operation of law.

Such income is subject to tax at the trustee level. The tax is assessed on the Trustee-Manager (in its capacity as trustee) at the prevailing corporate tax rate, currently 17.0%, after taking into account the following partial exemption for the first S$300,000 of chargeable income:

(a) 75.0% of up to the first S$10,000 of chargeable income; and
(b) 50.0% of up to the next S$290,000 of chargeable income.

Dividends from Singapore HoldCo

Provided Singapore HoldCo is a tax resident of Singapore, dividends from Singapore HoldCo will be exempt from Singapore income tax in the hands of the Trustee-Manager (in its capacity as trustee) under section 13(1)(za) of the Income Tax Act, Chapter 134 of Singapore (“ITA”).

Gain on disposal of shares in Singapore HoldCo

Singapore currently does not impose tax on capital gains. In the event that Dasin Retail Trust disposes of its shares in Singapore HoldCo, any gain derived from the disposal will not be liable to Singapore income tax unless such gain is considered income derived from a trade or business. Such gain may also be liable to Singapore income tax if the shares in Singapore HoldCo were acquired with the intent or purpose of making a profit from their subsequent sale and not for long-term investment purposes.

Such gain, if liable to Singapore income tax, will be taxed at the trustee level. The tax will be assessed on the Trustee-Manager (in its capacity as trustee) at the prevailing corporate tax rate, currently 17.0%.

Proceeds from repayment of loans

Any proceeds received by Dasin Retail Trust from repayment of the principal amount of the loans extended to Singapore HoldCo are capital receipts and hence not taxable on the Trustee-Manager (in its capacity as trustee).

Taxation of Singapore HoldCo

Except as detailed in the paragraphs below, Singapore HoldCo is liable to Singapore income tax on:

(a) income accruing in or derived from Singapore; and
(b) income derived from outside Singapore (i.e. foreign-sourced income) which is received in Singapore or deemed to have been received in Singapore by the operation of law.
The tax is assessed at the prevailing corporate tax rate, currently 17.0%, on the company’s chargeable income after taking into account the following partial exemption for the first S$300,000 of chargeable income:

(a) 75.0% of up to the first S$10,000 of chargeable income; and

(b) 50.0% of up to the next S$290,000 of chargeable income.

Dividends from Singapore Holding Companies

Provided the Singapore Holding Companies are tax residents of Singapore, dividends from the Singapore Holding Companies will be exempt from Singapore income tax in the hands of Singapore HoldCo under section 13(1)(za) of the ITA.

Gain on disposal of shares in Singapore Holding Companies

Singapore currently does not impose tax on capital gains. In the event that Singapore HoldCo disposes of its shares in the Singapore Holding Companies, any gain derived from the disposal will not be liable to Singapore income tax unless such gain is considered income derived from a trade or business. Such gain may also be liable to Singapore income tax if the shares in the Singapore Holding Companies were acquired with the intent or purpose of making a profit from their subsequent sale and not for long-term investment purposes.

Proceeds from repayment of loans

Any proceeds received by Singapore HoldCo from repayment of the principal amount of the loans extended to the Singapore Holding Companies are capital receipts and hence not taxable on the company.

Taxation of Singapore Holding Companies

Except as detailed in the paragraphs below, each of the Singapore Holding Companies is liable to Singapore income tax on:

(a) income accruing in or derived from Singapore; and

(b) income derived from outside Singapore (i.e. foreign-sourced income) which is received in Singapore or deemed to have been received in Singapore by the operation of law.

The tax is assessed at the prevailing corporate tax rate, currently 17.0%, on the company’s chargeable income after taking into account the following partial exemption for the first S$300,000 of chargeable income:

(a) 75.0% of up to the first S$10,000 of chargeable income; and

(b) 50.0% of up to the next S$290,000 of chargeable income.
**Dividends from PRC Property Companies and Rental Management Companies**

Provided the Singapore Holding Companies are tax residents of Singapore, any dividends received in Singapore directly from the PRC by the Singapore Holding Companies from the PRC Property Companies and the Rental Management Companies will be exempt from Singapore income tax under section 13(8) of the ITA, if the following conditions are met:

(a) at the time the dividends are received in Singapore, the highest rate of tax of a similar character to income tax levied under the law of the PRC on any gains or profits from any trade or business carried on by any company in the PRC at that time is not less than 15.0%;

(b) the dividends are subject to tax of a similar character to income tax under the law of the PRC; and

(c) the Comptroller of Income Tax is satisfied that the tax exemption would be beneficial to the Singapore Holding Companies.

Based on the current tax laws in the PRC, dividends paid by the PRC Property Companies and the Rental Management Companies should be able to meet the aforesaid conditions (see “PRC Taxation” of this Prospectus for further details).

**Gain on disposal of shares in PRC Property Companies and Rental Management Companies**

Singapore currently does not impose tax on capital gains. In the event of a disposal of the shares in any of the PRC Property Companies or the Rental Management Companies, any gain derived from the disposal will not be liable to Singapore income tax unless such gain is considered income derived from a trade or business. Such gain may also be liable to Singapore income tax if the aforesaid shares were acquired with the intent or purpose of making a profit from their subsequent sale and not for long-term investment purposes.

**Goods and Services Tax (“GST”)**

**Recovery of GST incurred by Dasin Retail Trust, Singapore HoldCo and Singapore Holding Companies**

Dasin Retail Trust, Singapore HoldCo and the Singapore Holding Companies are not eligible for GST registration. They will therefore not be able to recover GST (the standard rate of GST is currently 7.0%) incurred on their expenses.

**Stamp duty**

Singapore stamp duty is levied only on written documents relating to transfer of stocks, shares and immovable property. The rates vary according to the nature of the document and the values referred to in the document. Issuance of shares by a Singapore company will not attract any Singapore stamp duty.

In the case of transfer of shares of a Singapore company, stamp duty at the rate of 0.2% of the higher of purchase price or market value will be levied on the buyer.
Taxation of Unitholders

Income Tax

Distributions by Dasin Retail Trust

Distributions made by Dasin Retail Trust are exempt from Singapore income tax in the hands of all Unitholders. These distributions are also not subject to Singapore withholding tax. Unitholders are not entitled to tax credits in Singapore for any taxes paid by the Trustee-Manager (in its capacity as trustee) on the income of Dasin Retail Trust.

Gain on disposal of Units

Singapore currently does not impose tax on capital gains. Therefore, gains on disposal of the Units that are capital in nature will not be subject to Singapore income tax. However, such gains may be considered income in nature and subject to Singapore income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains may also be considered income in nature, even if they do not arise from an activity in the ordinary course of trade or business or an ordinary incident of some other business activity, if the intention of the Unitholder was not to hold the Units as long-term investments.

As the precise tax status of one Unitholder will vary from another, Unitholders are advised to consult their own professional advisers on the Singapore tax consequences that may apply to their individual circumstances.

Unitholders who have adopted or are required to adopt Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement (“FRS 39”) for financial reporting purposes may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Units, irrespective of disposal. Unitholders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Units arising from the adoption of FRS 39.

Stamp duty

Stamp duty will not be imposed on instruments of transfers relating to the Units. In the event of a change of the trustee-manager of Dasin Retail Trust, any document effecting the appointment of a new trustee-manager and the transfer of the trust assets from the incumbent trustee-manager to the new trustee-manager should also not be subject to stamp duty.

GST

The sale of the Units by a GST-registered investor belonging in Singapore for GST purposes through a SGX-ST member or to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST (e.g., GST on brokerage) incurred by the GST-registered investor in making such an exempt supply is generally not recoverable from the Singapore Comptroller of GST unless the investor satisfies certain conditions prescribed under the GST legislation or certain GST concessions.

Where the Units are supplied by a GST-registered investor in the course or furtherance of a business carried on by such investor to a person who belongs outside Singapore for GST purposes, the sale should generally, subject to the satisfaction of certain conditions, be subject to GST at 0%. Any input GST incurred (e.g., GST on brokerage) by a GST-registered investor in making such a zero-rated supply for the purpose of a business carried on by him may, subject to the provisions of the GST legislation, be recoverable from the Singapore Comptroller of GST.
Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and disposition of the Units.

Services such as arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership in the Units rendered by a GST-registered person to an investor belonging in Singapore for GST purposes will be subject to GST at the standard rate of 7.0%. Similar services supplied to an investor who belongs outside Singapore for GST purposes should generally, subject to satisfaction of certain conditions, be subject to GST at 0%.

**PRC Taxation**

**Taxation of PRC Property Companies and Rental Management Companies**

**Corporate Income Tax ("CIT")**

Under the prevailing PRC CIT Law which came into effect from 1 January 2008, the statutory CIT rate has been unified at 25.0% for all PRC resident enterprises, including domestic enterprises and foreign invested enterprises. Therefore, the PRC Property Companies and the Rental Management Companies will be subject to CIT at 25.0% on their respective taxable profits generated from the leasing of properties, sales of properties and other business operations. In general, subject to certain limitations and specific allowances, all necessary and reasonable expenses (including tax depreciation or amortisation) incurred in carrying out a business with sufficient supporting documents (e.g. invoices and/or contracts) are deductible for the purpose of computing the taxable profits. Tax losses can be carried forward for five consecutive years to offset against the future taxable profits.

In the event of a disposal of any property by the PRC Property Companies, any gains arising from the sales of the property will be included as taxable profits and be subject to CIT at 25.0%.

**Value-Added Tax ("VAT")**

According to the PRC VAT Provisional Regulations and its Implementation Rules of the PRC, all units and individuals engaged in the sales of tangible movable goods, provisions of processing, repairs and replacement services and the importation of goods within the territory of the PRC are taxpayers of VAT. From 1 January 2012, the PRC has been undergoing an indirect tax reform with an aim to gradually converge Business Tax ("BT") with VAT. The changes under the reform include, but are not limited to, the expansion of the scope of VAT taxable activities as well as the offering of different VAT rates for different types of VAT pilot services at 6.0%, 11.0% and 17.0%. Under the VAT regime, for general VAT payers, output VAT is generally applied on the gross turnover at applicable VAT rate while the qualified input VAT is creditable against the output VAT. A reduced rate of 3.0% is applicable for small-scale VAT payers but their input VAT is not creditable.

The VAT system has been expanded to include the real estate industry (including the leasing and disposal of real estate properties, the provision of property management services, etc.) with effect from 1 May 2016. The rate of VAT for a general VAT payer in the real estate industry and construction industry is 11.0%. Leasing and sales of immovable properties is subject to VAT at 11.0%.

Under the VAT regime, the surcharges, including local surcharges, previously payable based on the amount of BT payable, continues to be payable, except that the base is changed to the amount of VAT paid.
Local Surcharges

Education surcharge at 3.0%, city construction tax at 1.0%, 5.0% or 7.0% (depending on the location of the PRC Property Companies and the Rental Management Companies) and local education surcharge at 2.0% should be imposed on the PRC Property Companies and the Rental Management Companies based on their indirect tax liability payable (including VAT and Consumption Tax). Subject to local practices which may vary in different provinces or cities in the PRC, additional specific local surcharges may also be imposed at certain percentage of the VAT payable or the VAT taxable income.

Land Appreciation Tax (“LAT”)

Pursuant to the PRC LAT Provisional Regulations and its Implementation Rules, appreciation derived from the transfer of real estate properties in the PRC will be subject to LAT. LAT is calculated at progressive tax rates ranging from 30.0% to 60.0% on the amount of appreciation realised from the transfer of real estate properties. The amount of appreciation realised is the amount of the sale proceeds in excess of the amount of the deductible items. Deductible items generally include costs of land use rights, development and construction costs (for self-developed property), indirect expenses (for self-developed property), taxes and fees incurred for the transfer of the real estate property and other items that may be permitted under the PRC LAT regulations.

Real Estate Tax (“RET”)

RET is levied on the owner of real estate properties in the PRC. Subject to the local practice in the locality where the property is located, there are two types of RET calculation methods depending on whether the property is for self-use or held for lease. RET on self-used property should generally be calculated by applying RET rate of 1.2% per annum on 70.0% to 90.0% of the original cost of the self-used property. According to the prevailing regulations, if the property is leased out, RET should generally be calculated at 12.0% per annum on the rental income. However, the assessment method of RET used in each locality may be either of these two methods regardless of the use of the property.

Land Use Tax (“LUT”)

LUT should be applied on all enterprises which own land use rights. The annual tax rates of LUT range from RMB 0.6 to RMB 30 per square meter depending on the location and the type of property. The exact LUT rate depends on the detailed implementation rules issued by the relevant local governments where the real estate properties are located.

Stamp Duty (“SD”)

According to the relevant SD regulations of the PRC, SD is payable on all dutiable documents executed or used in the PRC. The applicable SD rates would depend on the type of dutiable documents. SD is levied at 0.05% on the transacted value stated in contracts for the transfer of property or shares, 0.1% on the rental for leasing contracts and 0.005% on the loan principal amount for loan contracts. SD is payable by each contractual party to the dutiable contract.

Deed Tax (“DT”)

According to the relevant DT regulations of the PRC, transferees or buyers should be subject to DT on the transfer of land use rights or ownership of real estate property. DT is imposed at 3.0% to 5.0% of the transacted price. The exact DT rate would depend on the detailed implementation rules issued by the relevant local governments where the real estate properties or the land is located.
Withholding Income Tax ("WHT")

Pursuant to the PRC CIT Law and its Implementation Rules, non-PRC tax resident enterprises which have no establishment or place of business in the PRC should be subject to PRC WHT at 10.0% on dividends, interest, capital gains, rental, royalties and other income sourced in the PRC. The 10.0% WHT may be reduced under the tax treaty in force between the PRC and the country of residence of the non-PRC tax resident enterprise, subject to the terms and conditions of the relevant tax treaty.

Under the Agreement between the Government of the Republic of Singapore and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income ("Singapore-PRC DTA"), the WHT rate on PRC-sourced dividends payable to a resident of Singapore is reduced in certain circumstances.

In relation to dividends, provided that each Singapore Holding Company (i) directly holds at least twenty-five per cent. (25.0%) equity of the relevant PRC Property Company or Rental Management Company paying the dividends at any time during the twelve-month preceding the receipt of the dividends; (ii) qualifies as a Singapore tax resident enterprise under the Singapore-PRC DTA; (iii) does not have a permanent establishment in the PRC; (iv) is not deemed to be a tax resident enterprise of the PRC; and (v) is the beneficial owner of the PRC-sourced income according to Guoshuihan [2009] No. 601 ("Circular 601") and Announcement [2012] No. 30 ("Announcement 30"), it should be eligible for the reduced WHT rate of 5.0% for the dividends received from the PRC Property Company or the Rental Management Company.

Circular 601 and Announcement 30

In order to enjoy tax treaty benefits on PRC-sourced dividends and interest, the non-PRC resident income recipient must be the “beneficial owner” of the PRC-sourced dividends and interest.

In this respect, the State Administration of Taxation of the PRC ("SAT") has issued Circular 601 to provide guidance on the interpretation of “beneficial owner” for the purposes of enjoying tax treaty benefits on dividends, interest and royalties under the tax treaty network of the PRC. According to Circular 601, a “beneficial owner” should have the ownership and right of control over the income, or the rights or the properties which give rise to the income. In addition, the beneficial owner should engage in substantial business operations.

Circular 601 also states that a conduit company would not qualify as a “beneficial owner”. A conduit company refers to a company which is established for tax avoidance, reduction or deferral or for the accumulation of profits purposes. It does not engage in substantial business operations such as trading and manufacturing activities. The PRC tax authorities will adopt a substance-over-form approach in assessing beneficial ownership. Circular 601 lists out seven unfavourable factors that the PRC tax authorities will take into account for the purpose of determining the beneficial ownership.

Announcement 30 was issued in 2012 to provide further clarification on the implementation of Circular 601. It clarified that the seven unfavourable factors listed in Circular 601 shall be "collectively" considered, which means the tax authority should not deny an application purely because of the existence of a single disadvantageous factor. Announcement 30 further clarified that the supporting documents for determining a beneficial owner include articles of association, financial statements, cash flow statements, board meetings and board resolutions of the non-PRC resident enterprises.
Announcement 30 also states that if a non-PRC resident enterprise is a listed company or is 100.0% directly or indirectly owned by a listed company located in the same country/jurisdiction, the PRC tax authorities could accept the applicant as the beneficial owner of the dividend income for the tax treaty purpose. There is currently no specific guidance in prevailing PRC regulations on the interpretation of the abovementioned “listed company” and whether it could include a listed business trust.

Gains on disposal of equity interest in PRC Property Companies or Rental Management Companies

Capital gains derived by an offshore holding company on a direct disposal of its equity interest in a PRC company would be subject to PRC WHT at 10.0% on a gross basis. Pursuant to Announcement [2015] No. 7 issued by the SAT (“Announcement 7”), if a non-PRC resident enterprise indirectly transfers equity interests in PRC resident enterprises or other PRC property through arrangements lacking “reasonable commercial purpose” and avoids PRC CIT liability, the indirect transfer shall be re-characterised as a direct transfer of equity interests in the PRC resident enterprises or other PRC property respectively. “Indirect transfer” refers to non-PRC resident enterprises transferring equities or similar rights/interests of offshore companies which directly or indirectly own “PRC taxable assets”, and the applicable scope of “PRC taxable assets” is clarified to include assets of PRC establishments and immovable properties in the PRC. If the capital gains derived from indirect transfers are taxable in the PRC according to Announcement 7, the non-PRC resident enterprise seller should report the taxes on the capital gains derived from the indirect transfer and the entity or individual directly obligated by law or contract to make payments to the non-PRC resident enterprise seller should be the withholding agent.

Guoshuihan [2009] No. 698 (“Circular 698”) and Announcement 7

Circular 698 was issued by the SAT on 10 December 2009 (but applies retroactively from 1 January 2008) to regulate and strengthen the CIT administration of capital gains derived by non-resident enterprises through the direct or indirect transfer of PRC equity interest. It covers tax filing and tax payment responsibility for the non-resident enterprise seller in the case of a direct disposal, as well as the reporting responsibility for the non-PRC resident enterprise seller in the case of an indirect disposal.

Announcement 7 was released on 3 February 2015 and took immediate effect. It provides replacement and supplementary rules to Circular 698 including but not limited to the following aspects:

• Announcement 7 has set out a more detailed guideline for the commercial purpose test. It also clarifies that if an arrangement carries with it all of the designated features (such as 75.0% or more of the equity value is directly or indirectly derived from PRC taxable assets, 90.0% or more of the total assets are attributed to the PRC taxable assets at any time during the one year period preceding the indirect transfer of PRC taxable assets), it shall be directly regarded as a transaction without reasonable commercial purposes.

• Announcement 7 also provides for safe harbour rules to apply in the following situations: (i) the indirect transfer gains were derived by a non-PRC resident enterprise from buying and selling shares of the same overseas listed company in a public securities market (“listed company exception”); or (ii) if the non-PRC resident enterprise seller otherwise directly holds and transfers the PRC taxable assets, the capital gains derived could be exempted from income tax in the PRC according to the applicable tax treaty provision. The “listed company exception” generally applies to a share transaction under which the transaction parties, volume and price are determined completely over the public stock exchange and not pre-determined by the transaction parties outside of the stock exchange.
• Qualifying intra group restructuring will also be regarded as “having reasonable commercial purposes” if certain criteria are met (e.g. share percentage of the buyer and seller, CIT/WHT burden on the subsequent indirect share transfer will not be reduced).

• The buyer who pays the proceeds (even if it is a non-PRC resident enterprise) shall be the withholding agent for the WHT liability of the transferor on the taxable indirect transfer.

Therefore, pursuant to Circular 698 and Announcement 7, in the event of a disposal of the shares in the Singapore Holding Companies or Singapore HoldCo, the gains arising from such disposal may be subject to WHT in the PRC. According to Circular 698, the gains arising from such disposal should generally be computed by reference to the gross sales proceeds minus the cost paid by the relevant Singapore Holding Company for the acquisition of the shares in the respective PRC Property Company or Rental Management Company provided the previous owner (i.e. the vendor(s) of those shares) has paid CIT on the gains from the previous sale (i.e. the sale of those shares to the Singapore Holding Company).

**Taxation of Dasin Retail Trust**

Provided that (i) Dasin Retail Trust is not a PRC tax resident enterprise; and (ii) it does not have a place of business or establishment in the PRC, Dasin Retail Trust should only be subject to PRC tax if it derives PRC-sourced income.

Pursuant to Circular 698 and Announcement 7, if Dasin Retail Trust indirectly transfers the equity interest in the PRC Property Companies or the Rental Management Companies through the disposal of the equity interest in the Singapore Holding Companies or Singapore HoldCo, Dasin Retail Trust may be liable to WHT in the PRC on the gains arising from such disposal.

**Taxation of Unitholders**

A Unitholder should not be subject to PRC tax on distributions from Dasin Retail Trust unless Dasin Retail Trust is a PRC tax resident enterprise or the Unitholder is a PRC tax resident.

Pursuant to Circular 698 and Announcement 7, if any Unitholder has indirectly transferred the equity interest in the PRC Property Companies or the Rental Management Companies through the disposal of Units, the Unitholder may be required to report such disposal to the PRC tax authorities. However, pursuant to the safe harbour rules in Announcement 7 for the indirect transfer gains derived by a non-PRC resident enterprise from buying and selling of equity in a public securities market (see section above on “Circular 698 and Announcement 7” for details), gains from disposal of Units on the SGX-ST, subject to meeting certain requirements (e.g. where the transaction parties, volume and price are determined completely over the stock exchange), might have the opportunity to leverage on the “listed company exception” and be exempt from PRC WHT.

**PRC General Anti-Avoidance (“GAA”) Provisions**

With the introduction of the GAA provisions under the PRC CIT regime, if an enterprise carries out any business arrangements without reasonable commercial purposes (i.e. the primary purpose is to reduce, avoid or defer PRC tax payment) which result in reduction of its taxable revenue or income, the PRC tax authorities are empowered to make adjustments using reasonable methods.
According to Guoshuifa [2009] No. 2, the PRC tax authorities can initiate a GAA investigation pursuant to the GAA provisions of the PRC CIT Law and its Implementation Rules if the following tax avoidance arrangements are identified:

(a) abusive use of tax incentives;

(b) abusive use of tax treaties;

(c) abusive use of the forms of enterprise organisations;

(d) tax avoidance through tax havens; or

(e) other business arrangements without bona fide commercial purposes.

The SAT released SAT Order [2014] No. 32 promulgating the Administrative Measures for GAA rules (“GAAR” or “the GAAR Measures”) in December 2014, which empowers the PRC tax authorities to invoke the principle of “substance-over-form” to apply special tax adjustments on cross-border tax avoidance arrangements carried out by enterprises to gain tax benefits without reasonable commercial purposes. The GAAR Measures took effect from 1 February 2015 and retroactively applies to all open cases.

Anti-tax avoidance measures, including transfer pricing, thin capitalisation, cost sharing and controlled foreign corporations, are formulated to target specific tax avoidance or deferral cases. The SAT emphasised that GAAR should only be invoked if a tax avoidance arrangement is not properly dealt with by any of the above specific anti-tax avoidance measures. Two major features of a tax avoidance arrangement are specified in the GAAR Measures and they are:

• The sole or main purpose of the arrangement is to obtain tax benefit which refers to the reduction, exemption or deferral of income tax payable.

• The tax benefit is obtained using an arrangement, the form of which is permitted in accordance with tax law(s) but is not commensurate with its economic substances.

The GAAR Measures reiterate the general “substance-over-form” principle when making tax adjustments and lay out the following adjustment methods:

• re-characterising all or part of the nature of a transaction;

• disregarding the existence of the counterparty to the transaction or deeming such counterparty and other transaction party(ies) as the same entity for tax characterisation purposes;

• re-characterising the nature of relevant income, deductions, tax incentives, foreign tax credits or others, or reallocating the split among the transaction parties; and

• any other reasonable methods.
If the PRC tax authorities regard an enterprise as having entered into tax avoidance arrangements, it would deny any tax benefits associated with such arrangements. The PRC tax authorities can disregard the existence of an enterprise that does not have any economic substance, especially one established in a tax haven that leads to tax avoidance for its related and unrelated parties.

Yours faithfully

Lim Gek Khim
Partner
for and on behalf of
Ernst & Young Solutions LLP
Singapore
Dear Sirs,

VALUATION OF FOUR SHOPPING MALLS LOCATED IN ZHONGSHAN, GUANGDONG PROVINCE, THE PEOPLE’S REPUBLIC OF CHINA

We refer to your instructions for us to assess the market values of the 4 properties located in Zhongshan City of the People’s Republic of China (the “PRC”) (the “Properties”). We confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the Properties as at 30 June 2016 (the “Valuation Date”) for the purpose of the initial public offering of Dasin Retail Trust (the “Initial Public Offering” or the “IPO”) on the Main Board of the Singapore Securities Trading Exchange.

Details of the Properties are stated as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Property</th>
<th>Land Tenure</th>
<th>Site Area (sq.m.)</th>
<th>Total Gross Floor Area (sq.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Shiqi Dasin Metro Mall located at No. 2 South Dasin Road, Shiqi District, Zhongshan, Guangdong Province, The PRC</td>
<td>Expiring on 27 July 2041</td>
<td>33,835.38</td>
<td>119,881.95</td>
</tr>
<tr>
<td>2.</td>
<td>Ocean Dasin Metro Mall located at No. 28 Bo’ai Road, Dongqu District, Zhongshan, Guangdong Province, The PRC</td>
<td>Expiring on 21 February 2046</td>
<td>23,033.58</td>
<td>180,338.04</td>
</tr>
</tbody>
</table>
3. Dasin E-colour located at  
No. 4 Longfeng Road (South side), 
Qitou New Village, Shiqi District, 
Zhongshan, Guangdong Province, 
The PRC  
Expiring on 28 July 2045  
4,421.40  
25,856.60

4. Xiaolan Dasin Metro Mall located at  
No. 18 Shenping Middle Road, 
Xiaolan Town, 
Zhongshan, Guangdong Province, 
The PRC  
Expiring on 1 April 2043  
27,061.70  
108,690.29

BASIS OF VALUATION

Our valuations have been undertaken on the basis of Market Value, which is defined by the Royal 
Institution of Chartered Surveyors ("RICS") as "the estimated amount for which an asset or liability 
should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length 
transaction after proper marketing and where the parties had each acted knowledgeably, prudently 
and without compulsion".

VALUATION METHODOLOGY

In determining the market values of the Properties, we have considered relevant general and 
economic factors and examined available market evidence. We have used both the Discounted Cash 
Flow Analysis (DCF Analysis) and Term and Reversion Approach in our valuation.

The DCF Analysis involves the discounting of the net cash flow on a monthly basis over the assumed 
cash flow period at an appropriate rate to reflect risk to derive a market value. The net cash flow 
comprises the cash inflows less the cash outflows over the cash flow period, with the addition of the 
terminal value in the final cash flow period.

Cash inflows comprise income from the Property adjusted to reflect actual rental income, speculative 
rental income and rental growth, whilst cash outflows comprise outgoings adjusted to reflect 
anticipated inflation, lease incentives and leasing and operational expenses. The terminal value is 
determined by the capitalisation of the net market income in the month after the final cash flow period 
with allowances for any relevant capital adjustments.

The projected income stream reflects the anticipated growth, or otherwise, inherent in a property 
investment based upon the physical, tenancy or market characteristics related to that property. In 
addition to projected outgoings and allowances, future capital expenditure is reflected in the cash flow.
The future values quoted for the Property, rents and costs are projections only formed on the basis of information currently available to us and are not representations of what the value of the Property will be as at a future date. This information includes the current expectations as to property values and income, which may not prove to be accurate.

Having regard to the above factors we have prepared a 10 year cash flow projection for the Property, in which we have assumed that the Property is sold at the commencement of the 11th year of the cash flow and the rental income in the eleventh year has been capitalized at a terminal capitalisation rate to derive the capital value in the end of 10th year. The cash flow has been prepared on a tenant-by-tenant monthly basis.

The Term and Reversion Approach is a method of valuation whereby the existing rental incomes of all lettable units of the Properties are capitalized for the respective unexpired terms of contractual tenancies whilst vacant units are assumed to be let at their respective market rents as at the valuation date. Upon expiry of the existing tenancies, each unit is assumed to be let at its market rent as at the valuation date, which is in turn capitalized for the unexpired term of the land use rights under which the Property is held. The summation of the capitalized value of the term income for the leased portion, the capitalized value of the reversion income (i.e. market rental income) as appropriately deferred for the leased portion and the capitalized value for the vacant portion provides the market value of the Property.

VALUATION STANDARDS

The valuations have been carried out in accordance with the RICS Valuation – Professional Standards, incorporating the International Valuation Standards (January 2014) published by the Royal Institution of Chartered Surveyors.

RELIANCE OF THIS LETTER

For the purpose of the Initial Public Offering and for the purpose of its inclusion in the prospectus to be issued in connection therewith (the “Prospectus”), we have prepared this letter and the enclosed valuation certificates which summarise the valuation reports, copies of which are held by the Trustee-Manager (“Reports”) and outline key factors which we have considered in arriving at our opinion of values. This letter and the valuation certificates do not contain all the necessary data and information included in our Reports. For further information, reference should be made to the Reports.

Due to possible changes in market forces and circumstances in relation to the Properties, the Reports can only be regarded as representing our opinion of the values of the Properties as at the date of valuation, which has been based on appropriate assumptions determined as at the valuation date. We have assumed that the Properties were in the same state on the valuation date as the inspection date.
The valuations and market information are not guarantees or predictions and must be read in consideration of the following:

- The estimated value is based upon the factual information provided by the owner/asset manager. Property data/information provided is assumed to be correct. Whilst Colliers International has endeavoured to ensure the accuracy of the information, it has not independently verified all information provided by the owner/asset manager. We also accept no responsibility for subsequent changes in information as to areas, income, expenses or market conditions.

- The methodologies adopted in valuing the Properties are based on estimates of future results and are not predictions. Each methodology is based on a set of assumptions as to income and expenses of the Properties and future economic conditions in the local market.

**LAND TENURE AND TITLE INVESTIGATION**

We have been provided with copies of documents in relation to some of the title of the appraised Properties. However, due to the current registration system of the PRC, no investigation has been made for the legal title or any liabilities attached to the Properties. We have neither examined the original documents to verify the ownership nor to ascertain the existence of any amendments, which do not appear on the copies handed to us and we have assumed no responsibility for such matters.

For properties located in the PRC, we have also relied upon the legal opinion provided by the PRC legal advisor, namely JunZeJun Law office, to the Instructing party on the relevant laws and regulations in the PRC, on the nature of land use rights or ownership interests in the respective properties.

All legal documents disclosed in this letter and valuation certificates are for reference only and no responsibility is assumed for any legal matters concerning the legal titles to the Properties interests set out in this letter and valuation certificates.

**SOURCES OF INFORMATION**

We have relied to a considerable extent on the information provided by the Instructing party on such matters as easements, tenure, floor areas, building plans and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Instructing party that no material factors or information have been omitted or withheld from the information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuations are reasonable.
VALUATION ASSUMPTIONS

We have not carried out detailed on-site measurements to verify the correctness of the site/floor areas in respect of the Properties but have assumed that the areas shown on the documents and plans provided to us are correct.

Moreover, no structural surveys have been undertaken, but in the course of our inspections, we did not note any serious defects. We are not, however, able to report whether the Properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the utility services.

Our valuations have been made on the assumption that the owner sells the Properties on the open market without the benefit of deferred terms contracts, leasebacks, joint ventures, or any similar arrangements which would affect their values.

No allowances have been made in our valuations for any charges, mortgages or amounts owing neither on the Properties nor for any expenses or taxes which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.
SUMMARY OF VALUES

The following table reflects a summary of the individual values assessed for each property.

<table>
<thead>
<tr>
<th>No.</th>
<th>Property</th>
<th>Market Value as at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Shiqi Dasin Metro Mall located at No. 2 South Dasin Road, Shiqi District, Zhongshan, Guangdong Province, The PRC</td>
<td>RMB 2,899,000,000</td>
</tr>
<tr>
<td>2.</td>
<td>Ocean Dasin Metro Mall located at No. 28 Bo’ai Road, Donggu District, Zhongshan, Guangdong Province, The PRC</td>
<td>RMB 1,780,000,000</td>
</tr>
<tr>
<td>3.</td>
<td>Dasin E-colour located at No. 4 Longfeng Road (South side), Qitou New Village, Shiqi District, Zhongshan, Guangdong Province, The PRC</td>
<td>RMB 342,000,000</td>
</tr>
<tr>
<td>4.</td>
<td>Xiaolan Dasin Metro Mall located at No. 18 Shenping Middle Road, Xiaolan Town, Zhongshan, Guangdong Province, The PRC</td>
<td>RMB 2,272,000,000</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>RMB 7,293,000,000</strong></td>
</tr>
</tbody>
</table>
DISCLAIMER

We have prepared this Valuation Summary Letter and the enclosed Valuation Certificates for inclusion in the prospectus and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the prospectus, other than in respect of the information provided within the Reports and this Valuation Summary Letter. This letter and the reports have been prepared for the use of the instructing parties for the stated purpose only and cannot be relied upon by third parties.

We agree to the inclusion of all or any part of the Reports to which this valuation summary report refers, or any data or other information contained in such Reports, and the Colliers International name can be quoted, reproduced and relied upon (i) in the preliminary prospectus and final prospectus prepared in connection with the offering (the “Prospectus”) or any other offer materials prepared by or on behalf of Dasin Retail Trust, including any supplementary documents (if any), in connection with the IPO, (ii) in any materials produced by or on behalf of Dasin Retail Trust in connection with presentations or other materials prepared in connection with the IPO.

We have not been involved in the preparation of the Prospectus nor has this letter had regard to the other material contained in the Prospectus. The letter and its content do not take into account any matters concerning the investment opportunity contained in the Prospectus.

The reported analysis, opinion and conclusion are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinions and conclusions. The valuers’ compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
We have relied upon data of the Properties supplied by the owner/manager and we assume the data to be true and accurate. Colliers International takes no responsibility for inaccurate data supplied by the owner/manager and subsequent conclusions related to such data.

We confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the Properties and the valuers undertaking the valuation are authorised to practise as valuers and have the necessary expertise and experience in valuing similar types of properties.

Our Valuation Certificates are appended.

Yours faithfully,
For and on behalf of
Colliers International (Hong Kong) Ltd.

Gregory Tam
BSc(Hons) MRICS MHKIS RPS(GP)
Director
Valuation & Advisory Services

Vincent Cheung
BSc (Hons) MBA FRICS MHKIS RPS(GP)
Executive Director
Valuation & Advisory Services – Asia

Note:
Vincent Cheung is a Chartered Surveyor and has over 19 years’ experience in the valuation of properties of this magnitude and nature in Hong Kong, China and Asia region.
Gregory Tam is a Chartered Surveyor and has over 19 years’ experience in the valuation of properties of this magnitude and nature in Hong Kong, China and Asia region.
VALUATION CERTIFICATE

Property Address: Shiqi Dasin Metro Mall located at No. 2 South Dasin Road, Shiqi District, Zhongshan, Guangdong Province, The PRC

Interests Valued: Property interests

Registered Owner: Zhongshan Dasin Management and Investment Co., Ltd. (中山市大信管理投资有限公司)

“Zhongshan Dasin”, a 100%-owned subsidiary of Zhongshan Dasin Real Estate Co., Ltd. (the “Sponsor”)

Site Area: 33,835.38 sq.m.

Land Use: Commercial and Residential

Land Tenure Expiry: Expiring on 27 July 2041

Gross Floor Area: 119,681.95 sq.m.

Legal Descriptions: Pursuant to 13 State-owned Land Use Rights Certificates issued by People’s Government of Zhongshan City dated between 25 April 2013 and 28 August 2013, the land use rights of various parcels of land with a total site area of approximately 33,835.38 sq.m. have been granted to Zhongshan Dasin for a term expiring on 27 July 2041 for commercial use and 27 July 2071 for residential use.

Pursuant to 13 Building Ownership Certificates issued by Land Resources Bureau of Zhongshan City dated between 25 April 2013 and 28 August 2013, the building ownership rights of the property with a total gross floor area of 119,007.69 sq.m. are held by Zhongshan Dasin.

Location: Shiqi Dasin Metro Mall is located within the commercial zone in Shiqi District of Zhongshan City. The vicinity of the Property comprises of residential and commercial developments.
Brief Description: The Property comprises a 5-storey shopping mall and 2 levels of Basement retail and carpark erected on parcels of land with a total site area of approximately 33,835.38 sq.m. It is constructed with reinforced concrete and the facade is finished with glass curtain walls and tiles. The Property was completed in 2004 and appears in good maintenance condition overall.

According to the information provided by the Trustee-Manager, it has a total gross floor area of approximately 119,681.95 sq.m. including basement carpark with gross floor area of approximately 18,096.83 sq.m. The use of the Property and breakdown of GFA are shown as follows:

<table>
<thead>
<tr>
<th>Level</th>
<th>GFA (sq.m.)</th>
<th>Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basement Levels 1&amp; 2</td>
<td>18,096.83</td>
<td>Car parking</td>
</tr>
<tr>
<td>Basement Level 1</td>
<td>12,072.87</td>
<td>Retail</td>
</tr>
<tr>
<td>Level 1</td>
<td>19,311.19</td>
<td>Retail</td>
</tr>
<tr>
<td>Level 2</td>
<td>16,914.49</td>
<td>Retail</td>
</tr>
<tr>
<td>Level 3</td>
<td>17,904.83</td>
<td>Retail</td>
</tr>
<tr>
<td>Level 4</td>
<td>17,565.09</td>
<td>Retail</td>
</tr>
<tr>
<td>Level 5</td>
<td>17,816.65</td>
<td>Retail</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>119,681.95</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Gross floor area of 674.26 sq. m. of the property has not obtained Building Ownership Certificate, this portion mainly comprise the area of level 1 and level 2.

Tenancy Details: As at the valuation date, portion of the retail portion of the Property with a total gross floor area of approximately 100,366.10 sq.m. was subject to various leases with the last tenancy expiring on 11 July 2025 at a total monthly rental of approximately RMB8,520,000 (inclusive of management fees and other outgoings). The remaining retail portion of the Property was vacant.

Basis of Valuation: Market Value of the Property in its existing state as at the Valuation Date

Valuation Approach: Discounted Cash Flow Analysis and Term and Reversion Approach

Valuation Date: 30 June 2016

Valuation: RMB 2,899,000,000

(Renminbi Two Billion Eight Hundred And Ninety Nine Million Only)

Remarks: This valuation certificates do not contain all the necessary data and information included in our final report. For further information, reference should be made to the Reports.
# VALUATION CERTIFICATE

<table>
<thead>
<tr>
<th>Property Address</th>
<th>Ocean Dasin Metro Mall located at No. 28 Bo’ai Road, Dongqu District, Zhongshan, Guangdong Province, The PRC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interests Valued</td>
<td>Property interests</td>
</tr>
<tr>
<td>Registered Owner</td>
<td>Zhongshan Yuanxin Commercial Property Management Co., Ltd (中山远信商用物业管理有限公司), “Zhongshan Yuanxin”, a 100%-owned subsidiary of Dasin Retail Trust (the “Trust”)</td>
</tr>
<tr>
<td>Site Area</td>
<td>23,033.58 sq.m.</td>
</tr>
<tr>
<td>Land Use</td>
<td>Commercial and Office</td>
</tr>
<tr>
<td>Land Tenure Expiry</td>
<td>Expiring on 21 February 2046</td>
</tr>
<tr>
<td>Gross Floor Area</td>
<td>180,338.04 sq.m.</td>
</tr>
<tr>
<td>Legal Descriptions</td>
<td>Pursuant to 5 State-owned Land Use Rights Certificates issued by People’s Government of Zhongshan City dated between 5 June 2015 and 12 September 2015, the land use rights of various parcels of land with a total site area of approximately 14,367.01 sq.m. have been granted to Zhongshan Yuanxin for a term expiring on 21 February 2046 for commercial and office uses. Pursuant to 1,231 State-owned Land Use Rights Certificates dated between 6 and 10 September 2015, the land use rights of various parcels of land with a total site area of approximately 8,666.57 sq.m. have been granted to Zhongshan Yuanxin for a term expiring on 21 February 2046 for commercial and office uses.. Pursuant to 5 Real Estate Title Certificates issued by Land Resources Bureau of Zhongshan City dated between 5 June 2015 and 12 September 2015, the titles of the building with a total gross floor area of 85,994.9 sq.m. are vested to Zhongshan Yuanxin. Pursuant to 1,231 Real Estate Title Certificates dated between 6 and 10 September 2015, the titles of the car parking spaces with a total GFA of 51,875.96 sq.m. are vested to Zhongshan Yuanxin.</td>
</tr>
<tr>
<td>Location</td>
<td>Ocean Dasin Metro Mall is located within the commercial zone in Eastern District of Zhongshan City. The vicinity of the Property comprises of residential and commercial developments.</td>
</tr>
</tbody>
</table>
**Brief Description**

The Property comprises a 5-storey shopping mall over-mounting a 3-level basement retail and 1,991 basement car parking spaces (including 108 twin car parking spaces and 760 civil defence car parking spaces). It is constructed with reinforced concrete and the facade of the Property has glass curtain walls and tiled walls finishings. The maintenance condition of the Property is good.

According to the information provided by the Trustee-Manager, it has a total gross floor area of approximately 180,338.04 sq.m. including basement carpark and miscellaneous area in basements levels of approximately 94,343.14 sq.m. The use of the Property and breakdown of gross floor area are shown as follows:

<table>
<thead>
<tr>
<th>Level</th>
<th>GFA (sq.m.)</th>
<th>Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basement Level 3</td>
<td>11,470.27</td>
<td>Car parking</td>
</tr>
<tr>
<td>Basement Level 2</td>
<td>28,125.79</td>
<td>Car parking</td>
</tr>
<tr>
<td>Basement Level 2</td>
<td>30,592.75</td>
<td>Civil defence</td>
</tr>
<tr>
<td>Basement Level 1</td>
<td>12,279.92</td>
<td>Car parking</td>
</tr>
<tr>
<td>Basement Level 1</td>
<td>5,150.74</td>
<td>Retail</td>
</tr>
<tr>
<td>Level 1</td>
<td>18,654.20</td>
<td>Retail</td>
</tr>
<tr>
<td>Level 2</td>
<td>17,904.00</td>
<td>Retail</td>
</tr>
<tr>
<td>Level 3</td>
<td>21,076.70</td>
<td>Retail</td>
</tr>
<tr>
<td>Level 4</td>
<td>17,641.21</td>
<td>Retail</td>
</tr>
<tr>
<td>Level 5</td>
<td>5,438.10</td>
<td>Retail</td>
</tr>
<tr>
<td>Roof</td>
<td>129.95</td>
<td>Ancillary facilities</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>11,874.41</td>
<td>Ancillary facilities</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>180,338.04</strong>*</td>
<td></td>
</tr>
</tbody>
</table>

*Gross floor area of 42,467.16 sq. m. of the property has not obtained Building Ownership Certificate, this portion mainly comprise the basement civil defence and miscellaneous area.

**Tenancy Details**

As at the valuation date, a portion of the retail portion of the Property with a total gross floor area of approximately 85,543 sq.m. was subject to various leases with the last tenancy expiring on 27 December 2034 at a total monthly rental of approximately RMB3,590,000 (inclusive of management fees and other outgoings). The remaining retail portion of the Property was vacant.

**Basis of Valuation**

Market Value of the Property in its existing state as at the Valuation Date

**Valuation Approach**

Discounted Cash Flow analysis and Term and Reversion Approach

**Valuation Date**

30 June 2016

**Valuation**

RMB 1,780,000,000

(Renminbi One Billion and Seven Hundred Eighty Million Only)
Remarks:

(i) This valuation certificates do not contain all the necessary data and information included in our final report. For further information, reference should be made to the Reports.

(ii) We are of the opinion that the emerging Donggu District, in which the Property is located is likely to take 7 to 10 years before it reaches a state of maturity.

(iii) We are of the opinion that the rental and rental escalation rate of the lease agreement between the Zhongshan Yuanxin and Yuan Yang Dasin Food are in line with prevailing market rental and market rental escalation rates of similar properties.

(iv) We are of the opinion that the rental and rental escalation rate of the lease agreements between the Zhongshan Yuanxin and Jian Mei Furniture are in line with prevailing market rental and market rental escalation rates of similar properties.

(v) We are of the opinion that the rental escalation rate provided in the lease agreement between Zhongshan Yuanxin and Shen Ma Crafts is in line with the prevailing market rental escalation rates of similar properties.

(vi) We are of the opinion that the Income Support* amounts under the Distribution Waiver* are in line with the underlying market rental income for properties of a similar nature to Ocean Metro Mall.

(vii) We are of the opinion that the projections regarding the average rental rate ranges of the Property reflected in the table below, and which the Sponsor and the Trustee-Manager had adopted in arriving at assumptions relating to the rental income for the Property for the purposes of determining the terms of the Distribution Waiver*, are principally in line with the market rental ranges of the Property adopted by us in arriving at the valuation of the Property.

<table>
<thead>
<tr>
<th></th>
<th>1 Jan to 31 Dec 2016</th>
<th>1 Jan to 31 Dec 2017</th>
<th>1 Jan to 31 Dec 2018</th>
<th>1 Jan to 31 Dec 2019</th>
<th>1 Jan to 31 Dec 2020</th>
<th>1 Jan to 31 Dec 2021</th>
<th>1 Jan to 31 Dec 2022</th>
<th>1 Jan to 31 Dec 2023</th>
<th>1 Jan to 31 Dec 2024</th>
<th>1 Jan to 31 Dec 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Rental Rate Range* (RMB / sq m of GFA / month)</td>
<td>40 - 60</td>
<td>40 - 70</td>
<td>50 - 80</td>
<td>50 - 90</td>
<td>60 - 100</td>
<td>60 - 110</td>
<td>60 - 120</td>
<td>60 - 130</td>
<td>70 - 140</td>
<td>80 - 150</td>
</tr>
</tbody>
</table>

*For the details of the Distribution Waiver and Income Support, please kindly refer to the Prospectus.
VALUATION CERTIFICATE

Property Address: Dasin E-colour located at
No. 4 Longfeng Road (South side),
Qitou New Village, Shiqi District,
Zhongshan, Guangdong Province,
The PRC

Interests Valued: Property interests

Registered Owner: Zhongshan Xinteng Commercial Management Co., Ltd.
(中山市信騰商業管理有限公司)
"Xinteng Commercial", a 100%-owned subsidiary of Dasin Retail Trust (the
"Trust")

Site Area: 4,421.4 sq.m.

Land Use: Commercial

Land Tenure Expiry: Expiring on 28 July 2045

Gross Floor Area: 25,856.6 sq.m.

Bu Dong Chan Quan Di No. 0001165 issued by People’s Government of
Zhongshan City dated 21 September 2015, the land use rights of a parcel of land
with a total site area of approximately 4,421.40 sq.m. have been granted to
Xinteng Commercial for a term expiring on 28 July 2045 for commercial use, the
building ownership rights of the buildings with a total gross floor area of
25,856.60 sq.m. are held by Xinteng Commercial.

Location: Dasin E-colour is located within the commercial zone in Shiqi District of
Zhongshan City. The vicinity of the Property comprises of residential and
commercial developments.
Brief Description : The Property is a 9-storey shopping mall erected on a parcel of land with a site area of approximately 4,421.40 sq.m.. It is constructed with reinforced concrete construction and the facade is finished with glass curtain walls and aluminum-plated walls. The renovation and refurbishment of the Property are completed in 2015 and its external condition is generally good.

According to the information provided by the Trustee-Manager, it has a total gross floor area of approximately 25,856.60 sq.m. The use of the Property and breakdown of gross floor area are shown as follows:

<table>
<thead>
<tr>
<th>Level</th>
<th>GFA (sq.m.)</th>
<th>Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>3,048.66</td>
<td>Retail</td>
</tr>
<tr>
<td>Level 2</td>
<td>2,889.82</td>
<td>Retail</td>
</tr>
<tr>
<td>Level 3-9</td>
<td>19,344.00</td>
<td>Retail</td>
</tr>
<tr>
<td>Roof</td>
<td>584.12</td>
<td>Machinery and public facilities</td>
</tr>
<tr>
<td>Total</td>
<td>25,856.60</td>
<td></td>
</tr>
</tbody>
</table>

Tenancy Details : As at the valuation date, portion of the Property with a total gross floor area of approximately 23,995 sq.m. was subject to various leases with the last tenancy expiring on 27 September 2029 at a total monthly rental of approximately RMB890,000 (inclusive of management fees and other outgoings). The remaining portion of the Property was vacant.

Basis of Valuation : Market Value of the Property in its existing state as at the Valuation Date.

Valuation Approach : Discounted Cash Flow analysis and Term and Reversion Approach.

Valuation Date : 30 June 2016

Valuation : RMB 342,000,000
(Renminbi Three Hundred Forty Two Million Only)
Remarks:

(i) The Market value of the property in existing state without taken into account the E-Colour Master Lease Agreements* of the property is in the sum of RMB349,000,000.

(ii) This valuation certificates do not contain all the necessary data and information included in our final report. For further information, reference should be made to the Reports.

(iii) We are of the opinion that the rental income for the Property is expected to reach a level of maturity over 3 to 5 years as it recently commenced operations in May 2015.

(iv) We are of the opinion that the rental and rental escalation rate of the Dasin E-Colour Master Lease Agreements* by the Dasin E-Colour Master Lessee are in line with prevailing market rental rates and market rental escalation rates of similar properties.

(v) We are of the opinion that the rental and rental escalation rate of the leasing agreement between the landlord and Yi Cai Dasin Food are principally in line with prevailing market rental rates and market rental escalation rates of similar properties.

(vi) We are of the opinion that the rental and rental escalation rate of the leasing agreement between the landlord and Xin He Property Investment (“Second Lease Agreement”) are above the prevailing market rental rates of similar properties and in line with prevailing market rental escalation rate of similar properties respectively.

(vii) We are of the opinion that the Income Support* amounts under the Distribution Waiver* are in line with the underlying market rental income for properties of a similar nature to Dasin E-Colour.

(viii) We are of the opinion that the projections regarding the average rental rate ranges of the Property reflected in the table below, and which the Sponsor and the Trustee-Manager had adopted in arriving at assumptions relating to the rental income for the Property for the purposes of determining the terms of the Distribution Waiver*, are principally in line with the market rental ranges of the Property adopted by us in arriving at the valuation of the Property.

* Please refer to the full reports for detailed explanations and calculations.
We are of the further opinion that the projections of the Sponsor and the Trustee-Manager regarding the average rental rate ranges of the Property for the corresponding periods as set out in the table above, which the rental rate projections of the Sponsor and the Trustee-Manager as to the duration of rental cycles, market rental rates and growth trajectory of the Property (based on the rent payable and the rental escalation rate under the Dasin E-Colour Master Lease Agreements*) are based upon, are principally in line with the market rental ranges the Property adopted by us in arriving at the valuation of the Property.

*For the details of Dasin E-colour Master Lease Agreements, Second Lease Agreement, Income Support and Distribution Waiver, please kindly refer to the Prospectus.
VALUATION CERTIFICATE

Property Address : Xiaolan Dasin Metro Mall located at
No. 18 Shenping Middle Road,
Xiaolan Town,
Zhongshan, Guangdong Province,
The PRC

Interests Valued : Property interests

Registered Owner : Zhongshan Xinrui Commercial Management Co., Ltd.
(中山市信瑞商业管理有限公司)
"Zhongshan Xinrui", a 100%-owned subsidiary of Dasin Retail Trust (the "Trust")

Site Area : 27,061.70 sq.m.

Land Use : Commercial

Land Tenure Expiry : Expiring on 1 April 2043

Gross Floor Area : 108,690.29 sq.m.

Legal Descriptions : Pursuant to 12 Real Estate Ownership Certificates issued by Land Resources Bureau of Zhongshan City dated between 29 September 2015 and 5 November 2015, the land use rights of the property with a site area of approximately 27,061.70 sq.m. have been granted to Zhongshan Xinrui for a term expiring on 1 April 2043 for commercial use, while the ownership of the property with a total gross floor area of 108,690.29 sq.m. was vested to Xinteng Commercial.

Location : Xiaolan Dasin Metro Mall is located in the center of Xiaolan Town. The vicinity of the Property comprises of residential and commercial developments.
Brief Description: The Property comprises a 5-storey shopping mall over-mounting a 1-level of Basement retail and car parking spaces erected on a parcel of land with a site area of approximately 27,061.70 sq.m. It is constructed with reinforced concrete and the facade of the Property has glass curtain walls and tiled walls finishing. The Property was completed in 2006 and appears in good maintenance condition overall.

According to the information provided by the Trustee-Manager, it has a total gross floor area of approximately 108,690.29 sq.m. including 626 basement car parking spaces with a gross floor area of approximately 20,455.22 sq. m.. The use of the Property and breakdown of gross floor area are shown as follows:

<table>
<thead>
<tr>
<th>Level</th>
<th>GFA (sq.m.)</th>
<th>Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basement 1</td>
<td>20,455.22</td>
<td>Carpark</td>
</tr>
<tr>
<td>Level 1</td>
<td>18,909.75</td>
<td>Retail</td>
</tr>
<tr>
<td>Level 2</td>
<td>18,299.35</td>
<td>Retail</td>
</tr>
<tr>
<td>Level 3</td>
<td>18,493.62</td>
<td>Retail</td>
</tr>
<tr>
<td>Level 4</td>
<td>18,494.09</td>
<td>Retail</td>
</tr>
<tr>
<td>Level 5</td>
<td>14,038.26</td>
<td>Retail</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>108,690.29</strong></td>
<td></td>
</tr>
</tbody>
</table>

Tenancy Details: As at the valuation date, the Property with a total gross floor area of approximately 88,235.07 sq.m. was subject to various leases with the last tenancy expiring on 25 September 2027 at a total monthly rental of approximately RMB7,780,000 (inclusive of management fees and other outgoings).

Basis of Valuation: Market Value of the Property in its existing state as at the Valuation Date

Valuation Approach: Discounted Cash Flow Analysis and Term and Reversion Approach

Valuation Date: 30 June 2016

Valuation: RMB 2,272,000,000
(Renminbi Two Billion and Two Hundred Seventy Two Million Only)
Remarks:

(i) The Market value of the property in existing state without taken into account the Xiaolan Master Lease Agreement* of the property is in the sum of RMB2,307,000,000.

(ii) This valuation certificates do not contain all the necessary data and information included in our final report. For further information, reference should be made to the Reports.

(iii) We are of the opinion that the rental and rental escalation rate of the leasing agreement between the landlord and Jianmei Xiaolan Branch are in line with prevailing market rental rates and market rental escalation rates of similar properties.

(iv) We are of the opinion that the rental and rental escalation rate of the leasing agreement between the landlord and Dasin Food Services are in line with prevailing market rental rates and market rental escalation rate of similar properties.

(v) We are of the opinion that the rental and rental escalation rate of the Xiaolan Master Lease Agreement by the Xiaolan Master Lessee are in line with prevailing market rental and market rental escalation rate of similar properties.

(vi) We are of the opinion that the projections of the Sponsor and the Trustee-Manager regarding the average rental rate ranges of the Property for the corresponding periods as set out in the table below, which the rental rate projections of the Sponsor and the Trustee-Manager on the duration of rental cycles, market rental rates and growth trajectory of the Property (based on the rent payable and the rental escalation rate under the Xiaolan Master Lease Agreement*) are based upon, are principally in line with the market rental ranges of the Property adopted by us in arriving at the valuation of the Property.

<table>
<thead>
<tr>
<th>Average Rental Rate Range (RMB / sq m of GFA / month)</th>
<th>1 Jan to 31 Dec 2016</th>
<th>1 Jan to 31 Dec 2017</th>
<th>1 Jan to 31 Dec 2018</th>
<th>1 Jan to 31 Dec 2019</th>
<th>1 Jan to 31 Dec 2020</th>
<th>1 Jan to 31 Dec 2021</th>
<th>1 Jan to 31 Dec 2022</th>
<th>1 Jan to 31 Dec 2023</th>
<th>1 Jan to 31 Dec 2024</th>
<th>1 Jan to 31 Dec 2025</th>
</tr>
</thead>
</table>

*For the details of Xiaolan Master Lease Agreement, please kindly refer to the Prospectus.
21 December 2016
Our Ref.: HK/2015/VPS/13352(VC-3)/AL/MW/EW/ck

Dear Sirs,

Re: 1. Xiaolan Metro Mall (小榄店), No. 18 Shengping Middle Road, Xiaolan Town, Zhongshan, Guangdong Province, the People’s Republic of China

2. Dasin E-Colour (溢彩荟), South Tower, No. 4 Qitou New Village Longfeng Road, Shiqi District, Zhongshan, Guangdong Province, the People’s Republic of China

3. Ocean Metro Mall (远洋店), No. 28 Boai Six Road, Dongqu District, Zhongshan, Guangdong Province, the People’s Republic of China

4. Shiqi Metro Mall (石岐店), No. 2 South Dasin Road, Shiqi District, Zhongshan, Guangdong Province, the People’s Republic of China

Instructions

In accordance with your instructions for us to value the captioned properties (the “Properties”) in the People’s Republic of China (the “PRC”), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the Properties as at 30 June 2016 (the “valuation date”) for the purpose of initial public offering of Dasin Retail Trust (the “Initial Public Offering”) subject to existing and proposed tenancies.

We have also prepared full valuation report on each property in accordance with the requirements of our instructions.

Savills has a network of over 700 offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.
Savills Valuation and Professional Services Limited
Basis of Valuation

Our valuation is prepared in accordance with "RICS Valuation—Professional Standards (January 2014)" published by the Royal Institution of Chartered Surveyors.

Our valuation of each of the Properties is our opinion of its market value which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Reliance on This Letter

For the purpose of this prospectus, we have prepared this letter and the enclosed brief valuation reports which summarise our full valuation reports and outline key factors which we have considered in arriving at our opinion of market values. This letter and the brief valuation reports do not contain all the necessary data and information included in our full valuation reports. For further information, reference should be made to the said full valuation reports.

Valuation Methodologies

In determining the market values of the Properties, we have considered relevant general and economic factors and have investigated sales and rental comparable properties in the vicinity or in similar localities. We have used both the Income Capitalization Approach and the Discounted Cash Flow ("DCF") Approach to value the Properties. In addition, the Direct Comparison Method has also been used as a reference check for the valuations arrived from the Income Capitalization Approach and DCF Approach.

The Income Capitalization Approach is a method of valuation whereby the rental incomes of contractual tenancies are capitalized for the unexpired terms of tenancies. We have also taken into account the reversionary market rents after the expiry of tenancies in capitalization.

The DCF Approach involves discounting future net cash flows of the Properties to their present values by the appropriate discount rates that reflect the rate of return required by an investor for an investment of this type. In the course of our valuation, we have prepared a cash flow analysis over a 10-year investment horizon (a 20-year investment horizon for Ocean Metro Mall), and the property concerned is hypothetically assumed to be sold at the end of that period. The cash flow income from the 11th year (that of 21st year for Ocean Metro Mall) is capitalized at a terminal capitalization rate and deferred at a discount rate.

The Direct Comparison Approach is a method of valuation whereby comparables sales transactions around the valuation date are collected and analyzed in terms of a unit rate per sq.m. The collected comparables are then adjusted to take account of the discrepancies between the Properties and comparables in terms of time, location, accessibility, age, building quality and condition, facilities and the like.
Title Investigations

We have been provided with copies of extracts of title document relating to the Properties in the PRC. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments that may not appear on the copies handed to us. We have relied to a considerable extent on the information given by you and the legal opinion issued by its PRC legal adviser, JunZeJun Law Offices, regarding the titles to the Properties.

Valuation Consideration and Assumptions

In undertaking our valuation, we have assumed that, unless otherwise stated, transferable land use rights in respect of the Properties for their respective specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have also assumed that the owners of the Properties have legal titles to the Properties and have free and uninterrupted rights to us, occupy or assign the Properties for the whole of the unexpired terms as granted.

In the course of our valuation, we have relied to a considerable extent on information given by the Trustee Manager and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the brief valuation reports are based on information contained in the documents provided to us and are therefore only approximations. No on-site measurements have been taken. We have no reason to doubt the truth and accuracy of the information which you have provided to us, which is material to our valuation. We have also advised you that no material facts have been omitted from the information supplied.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property nor for any expenses, which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Site Inspection

We have inspected the exterior and where possible, the interior of the Properties. Site inspections of the Properties were carried out by our Mr Eric Wong and Miss Karin Chan on 18 May 2016 and 14 November 2016. Mr Eric Wong is a member of the Royal Institution of Chartered Surveyors. During the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are unable to report that the Properties are free from rot, infestation or any other defects. No tests were carried out on any of the services.
Summary of values

Our opinion of market values of each of the Properties as at 30 June 2016 were tabulated as follows:

<table>
<thead>
<tr>
<th>Property Address</th>
<th>Market Value as at 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Xiaolan Metro Mall (小榄店), No. 18 Shengping Middle Road, Xiaolan Town, Zhongshan, Guangdong Province, PRC</td>
<td>RMB2,411,000,000</td>
</tr>
<tr>
<td>2 Dasin E-Colour (溢彩荟), South Tower, No. 4 Qitou New Village Longfeng Road, Shiqi District, Zhongshan, Guangdong Province, PRC</td>
<td>RMB308,000,000</td>
</tr>
<tr>
<td>3 Ocean Metro Mall (远洋店), No. 28 Boai Six Road, Donggu District, Zhongshan, Guangdong Province, PRC</td>
<td>RMB2,013,000,000</td>
</tr>
<tr>
<td>4. Shiqi Metro Mall (石岐店), No. 2 South Dasin Road, Shiqi District, Zhongshan, Guangdong Province, PRC</td>
<td>RMB2,803,500,000</td>
</tr>
</tbody>
</table>
Disclaimer

This valuation summary and brief valuation reports were prepared for purposes of inclusion in the prospectus to be issued in relation to the Initial Public Offering of Dasin Retail Trust and its listing on SGX-ST (the "Prospectus"). We specifically disclaimed liability to any person in the event of any omission from or false or misleading statement included in the Prospectus, other than in respect of the information presented in this valuation summary and brief valuation reports. We do not make any warranty or representation as to the accuracy of the information in any other part of the Prospectus other than as expressly made or given in this valuation summary and brief valuation reports.

We have relied on the property data supplied to us which we assume to be true and accurate. We take no responsibilities for inaccurate data supplied to us and subsequent conclusion derived from such data.

We have no present or prospective interest in the Properties and are not a related corporation of nor do we have a relationship with the property owner(s) or other party/parties whom the instructing party is contracting with.

We hereby certify that the valuer undertaking the valuation is authorized to practice as a valuer and has the necessary experience in valuing similar types of Properties in the PRC.

Our brief valuation reports are appended.

Yours faithfully,
For and on behalf of
Savills Valuation and Professional Services Limited

[Signature]

Anthony C K Lau
MRICS MHKIS RPS(GP)
Director

Encl.

Note: Mr. Anthony C K Lau is an estate surveyor and has over 23 years' post-qualification experience in the valuation of properties in both the PRC and Hong Kong.

Our Ref.: HK/2015/VPS/13352(VC-3)/AL/MW/EW/cck
VALUATION REPORT

Valuation Date : 30 June 2016

Property : Xiaolan Metro Mall (小榄店),
No. 18 Shengping Middle Road,
Xiaolan Town,
Zhongshan,
Guangdong Province,
PRC (the "Property")

Basis of Valuation : Market value

Date of Inspection : 18 May 2016 and 14 November 2016

Brief Description : The Property is situated on the north-western side of Shengping Middle Road and bounded by Mingan Middle Road in Zhongshan, Guangdong Province, PRC.

The Property comprises a 5-storey shopping mall over a single-level Basement accommodating 626 car parking spaces. It has a total gross floor area of approximately 108,690.29 sq.m. including car parking spaces of approximately 20,455.22 sq.m.. As informed by the Trustee-Manager, the retail portion of the Property has a total net leaseable area of approximately 77,746.60 sq.m.

As at the valuation date, the occupancy rate of the Property was fully occupied (based on the net leaseable area).

Site Area : Approximately 27,061.70 sq.m.

Gross Floor Area : Shopping mall – approximately 88,235.07 sq.m. plus Basement car parking spaces – approximately 20,455.22 sq.m.

Year of Completion : 2005

Tenure : The land use rights of the Property have been granted for a term expiring on 1 April 2043.

Condition : The Property was kept in a reasonable condition as at the date of inspection.

Tenancy Details : As at the valuation date, the Property was fully occupied and subject to various leases with the latest one due to expire on 31 May 2028 at a total monthly rental income of approximately RMB7,780,000 (inclusive of taxes, management fees and other outgoings).
Tenancy Details (Cont'd)  

The total income generated from the car parking spaces, signage and other miscellaneous items for the period from 1 January 2016 to 30 June 2016 was approximately RMB9,600,000.

Valuation Methodology  

: Income Capitalization Approach and Discounted Cash Flow Approach

Valuation Assumptions  

: (i) Zhongshan Xinrui Commercial Management Co., Ltd. (中山市信瑞商业管理有限公司) ( "Xinrui Commercial") is in possession of a proper legal title to the Property and is entitled to transfer, lease or mortgage the Property with the residual term of its land use rights at no additional land premium or other onerous charges payable to the government;

(ii) all land premium and costs of resettlement and public utilities services have been fully paid;

(iii) the design and construction of the Property are in compliance with the local planning regulations and have been approved by the relevant authorities; and

(iv) the Property can be freely sold to local and overseas buyers.

Reversionary Yield  

: 4.50%

Stabilized Occupancy Rate  

: 98.00%

Terminal Capitalization Rate  

: 3.75%

Discount Rate  

: 6.75%

Market Value (with the Xiaolan Master Lease Agreements)  

: We have summarized the valuation results of each approach in the table below:

<table>
<thead>
<tr>
<th>Valuation Method</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Capitalization Approach</td>
<td>RMB2,496,000,000</td>
</tr>
<tr>
<td>Discounted Cash Flow Approach</td>
<td>RMB2,326,000,000</td>
</tr>
</tbody>
</table>

We are of the opinion that the market value of the Property in its existing state as at the valuation date is RMB2,411,000,000 (RENMINBI TWO BILLION FOUR HUNDRED AND ELEVEN MILLION ONLY).

Market Value (without the Xiaolan Master Lease Agreements)  

: We are of the opinion that the market value of the Property in its existing state as at the valuation date is RMB2,380,000,000 (RENMINBI TWO BILLION THREE HUNDRED AND EIGHTY MILLION ONLY).

Connected Transactions  

: The following table shows the summary of the connected lease agreements:

---

Our Ref.: HK/2015/VPS/13352(VC-3)/AL/MW/EW/cK  

Page 7
<table>
<thead>
<tr>
<th>Unit No.</th>
<th>Floor Level</th>
<th>Title GFA (sq.m.)</th>
<th>Name of Tenant</th>
<th>Lease Term</th>
<th>Monthly Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portion of 1F and 3F and 3F01B</td>
<td>Level 1 and 3</td>
<td>13,498.44</td>
<td>Zhongshan Dasin Xinduhui Commercial Investment Co., Ltd. (中山市大信新都匯商業投資有限公司) (the &quot;Xiaolan Master Lease Agreement&quot;)</td>
<td>26/9/2017 - 25/9/2018</td>
<td>RMB7,191,161</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26/9/2018 - 25/9/2019</td>
<td>RMB1,750,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26/9/2019 - 25/9/2020</td>
<td>RMB1,837,500</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>26/9/2020 - 25/9/2021</td>
<td>RMB1,929,375</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26/9/2021 - 25/9/2022</td>
<td>RMB2,025,843</td>
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<tr>
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<td>26/9/2022 - 25/9/2023</td>
<td>RMB2,127,135</td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td>26/9/2023 - 25/9/2024</td>
<td>RMB2,233,492</td>
</tr>
<tr>
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<td></td>
<td>26/9/2024 - 25/9/2025</td>
<td>RMB2,345,167</td>
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<tr>
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<td></td>
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<td>26/9/2025 - 25/9/2026</td>
<td>RMB2,462,425</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26/9/2026 - 25/9/2027</td>
<td>RMB2,585,547</td>
</tr>
<tr>
<td>4F02-03</td>
<td>Level 4</td>
<td>3,343.52</td>
<td>Zhongshan Jian Mei Commercial Management Co., Limited (中山市簡愛家裝商業管理有限公司) (&quot;Jian Mei Xiaolan Branch&quot;)</td>
<td>1/5/2012 - 30/4/2014</td>
<td>RMB168,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/5/2014 - 30/4/2015</td>
<td>RMB178,500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/5/2015 - 30/4/2016</td>
<td>RMB189,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/5/2016 - 30/4/2017</td>
<td>RMB201,600</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/5/2017 - 30/4/2018</td>
<td>RMB214,200</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>1/5/2018 - 30/4/2019</td>
<td>RMB231,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/5/2019 - 30/4/2020</td>
<td>RMB247,800</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/10/2014 - 30/9/2015</td>
<td>RMB273,318</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/10/2015 - 30/9/2016</td>
<td>RMB289,395</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/10/2016 - 30/9/2017</td>
<td>RMB308,688</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/10/2017 - 30/9/2018</td>
<td>RMB327,981</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/10/2018 - 30/9/2019</td>
<td>RMB353,705</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/10/2019 - 30/9/2020</td>
<td>RMB379,429</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/10/2020 - 30/9/2021</td>
<td>RMB405,153</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>1/10/2021 - 30/9/2022</td>
<td>RMB437,308</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/10/2022 - 30/9/2023</td>
<td>RMB469,463</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/10/2023 - 30/9/2024</td>
<td>RMB508,049</td>
</tr>
<tr>
<td>5F0’</td>
<td>Level 5</td>
<td>8,285.36</td>
<td>Zhongshan Dasin Food Services Co., Limited (中山市大信餐飲服務有限公司) (&quot;Xiaolan Dasin Food Services&quot;)</td>
<td>1/5/2016 - 30/4/2017</td>
<td>RMB336,950</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/5/2017 - 30/4/2018</td>
<td>RMB353,797</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/5/2019 - 30/4/2020</td>
<td>RMB390,661</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/5/2020 - 30/4/2021</td>
<td>RMB409,564</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/5/2021 - 30/4/2022</td>
<td>RMB430,043</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/5/2022 - 30/4/2023</td>
<td>RMB451,545</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/5/2023 - 30/4/2024</td>
<td>RMB474,122</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/5/2024 - 30/4/2025</td>
<td>RMB497,828</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/5/2025 - 30/4/2026</td>
<td>RMB522,720</td>
</tr>
</tbody>
</table>
Remarks: We are of the opinion that the existing rent payable and the rental escalation rate under the Xiaolan Master Lease Agreement are in line with prevailing market rental rates and market rental escalation rates of similar properties.

We are further of the opinion that the projections of the Sponsor and the Trustee-Manager regarding the average rental rate ranges of the Property for the corresponding periods as set out in the table below, which the rental rate projections of the Sponsor and the Trustee-Manager on the duration of rental cycles, market rental rates and growth trajectory of the Property (based on the rent payable and the rental escalation rate under the Xiaolan Master Lease Agreement) are based upon, are principally in line with the market rental ranges of the Property adopted by us in arriving at the valuations of the Property.

We are also of the opinion that the existing rents payable and the rental escalation rates under the lease agreements entered into between the Trustee-Manager and Jian Mei Xiaolan Branch and Xiaolan Dasin Food Services are in line with the prevailing market rental rates and market rental escalation rates of similar properties.

<table>
<thead>
<tr>
<th>The Property</th>
<th>Assumption</th>
<th>1 Jan to 31 Dec 2016</th>
<th>1 Jan to 31 Dec 2017</th>
<th>1 Jan to 31 Dec 2018</th>
<th>1 Jan to 31 Dec 2019</th>
<th>1 Jan to 31 Dec 2020</th>
<th>1 Jan to 31 Dec 2021</th>
<th>1 Jan to 31 Dec 2022</th>
<th>1 Jan to 31 Dec 2023</th>
<th>1 Jan to 31 Dec 2024</th>
<th>1 Jan to 31 Dec 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Rental Rate Range *</td>
<td>(RMB / sq.m. of GFA / month)</td>
<td>70 – 110</td>
<td>70 – 120</td>
<td>96 – 140</td>
<td>90 – 150</td>
<td>100 – 150</td>
<td>105 – 160</td>
<td>110 – 170</td>
<td>110 – 180</td>
<td>130 – 200</td>
<td>150 – 220</td>
</tr>
</tbody>
</table>

* GFA excludes car parking spaces
### VALUATION REPORT

<table>
<thead>
<tr>
<th><strong>Valuation Date</strong></th>
<th>: 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property</strong></td>
<td>Dasin E-Colour (溢彩荟), South Tower, No. 4 Qitou New Village Longfeng Road, Shiqi District, Zhongshan, Guangdong Province, PRC (the &quot;Property&quot;)</td>
</tr>
<tr>
<td><strong>Basis of Valuation</strong></td>
<td>Market value</td>
</tr>
<tr>
<td><strong>Date of Inspection</strong></td>
<td>18 May 2016 and 14 November 2016</td>
</tr>
<tr>
<td><strong>Brief Description</strong></td>
<td>The Property is situated on the northern side of Longteng Road and opposite to the University of Electronic Science and Technology of China, Zhongshan Institute (電子科技大學中山學院) in Zhongshan, Guangdong Province, PRC. The Property is a 9-storey shopping mall with a total gross floor area of approximately 25,856.60 sq.m. including the roof of approximately 584.12 sq.m.. As informed by the Trustee-Manager, the Property has a total net leasable area of approximately 12,637.92 sq.m. As at the valuation date, the occupancy rate of the Property was approximately 92.8% (based on the net leasable area).</td>
</tr>
<tr>
<td><strong>Site Area</strong></td>
<td>Approximately 4,421.40 sq.m.</td>
</tr>
<tr>
<td><strong>Gross Floor Area</strong></td>
<td>Shopping mall – approximately 25,856.60 sq.m. including the roof of approximately 584.12 sq.m.</td>
</tr>
<tr>
<td><strong>Year of Completion</strong></td>
<td>Renovated and furnished in 2015</td>
</tr>
<tr>
<td><strong>Tenure</strong></td>
<td>The land use rights of the Property have been granted for a term expiring on 28 July 2045.</td>
</tr>
<tr>
<td><strong>Condition</strong></td>
<td>The Property was kept in a reasonable condition as at the date of inspection.</td>
</tr>
<tr>
<td><strong>Tenancy Details</strong></td>
<td>As at the valuation date, the Property with a total net leasable area of approximately 11,726.92 sq.m. was subject to various leases with the latest one due to expire on 27 September 2029 at a total monthly rental of approximately RMB890,000 (inclusive of taxes, management fees and other outgoings). The remaining portion of the Property was vacant.</td>
</tr>
</tbody>
</table>

**Our Ref.:** HK/2015/VPS/13352(VC-3)/AL/MW/EW/ck
Tenancy Details (Cont'd)

The total income generated from the car parking spaces, signage and other miscellaneous items for the period from 1 January 2016 to 30 June 2016 was approximately RMB2,800,000.

Valuation Methodology:
Income Capitalization Approach and Discounted Cash Flow Approach

Valuation Assumptions:
(i) Zhongshan Xinteng Commercial Management Co. Ltd. (中山市信騰商業管理有限公司) ("Xinteng Commercial") is in possession of a proper legal title to the Property and is entitled to transfer, lease or mortgage the Property with the residual term of its land use rights at no additional land premium or other onerous charges payable to the government;

(ii) all land premium and costs of resettlement and public utilities services have been fully paid;

(iii) the design and construction of the Property are in compliance with the local planning regulations and have been approved by the relevant authorities;

(iv) the Property can be freely sold to local and overseas buyers; and

(v) in the course of our valuation, we have assumed that the Property will be matured and stabilized within 3 to 5 years. We are of the opinion that the rental income for the Property is expected to reach a level of maturity over 3 to 5 years.

Reversionary Yield:
4.00%

Stabilized Occupancy Rate:
98.00%

Terminal Capitalization Rate:
3.50%

Discount Rate:
6.50%

Market Value (with the Dasin E-Colour Master Lease Agreements):
We have summarized the valuation results of each approach in the table below:

<table>
<thead>
<tr>
<th>Valuation Method</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Capitalization Approach</td>
<td>RMB310,000,000</td>
</tr>
<tr>
<td>Discounted Cash Flow Approach</td>
<td>RMB306,000,000</td>
</tr>
</tbody>
</table>

We are of the opinion that the market value of the Property in its existing state as at the valuation date is RMB308,000,000 (RENMINBI THREE HUNDRED AND EIGHT MILLION ONLY).

Market Value (without the Dasin E-Colour Master Lease Agreements):
We are of the opinion that the market value of the Property in its existing state as at the valuation date is RMB308,000,000 (RENMINBI THREE HUNDRED AND EIGHT MILLION ONLY).

Our Ref.: HK/2015/VPS/13352(VC-3)/AL/MW/EW/ck
Connected Transactions: The following table shows the summary of the connected lease agreements:

<table>
<thead>
<tr>
<th>Unit No.</th>
<th>Floor Level</th>
<th>Title GFA (sq.m.)</th>
<th>Name of Tenant</th>
<th>Lease Term</th>
<th>Monthly Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>3F301 - 3F377</td>
<td>Level 3</td>
<td>2,523.96</td>
<td>Zhongshan Dasin Xin He Property Investment Co., Limited (中山市大信和物業投資有限公司) (the &quot;Second Lease Agreement&quot;)</td>
<td>2/3/2016 - 30/4/2016</td>
<td>Rent free</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/5/2016 - 1/3/2017</td>
<td>RMB190,860</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2/3/2017 - 1/3/2018</td>
<td>RMB219,489</td>
</tr>
<tr>
<td>4F401</td>
<td>Level 4</td>
<td>1,565.27</td>
<td>Zhongshan Yicai Dasin Food Services Co., Limited (中山市溢彩大信餐飲服務有限公司) (&quot;Yicai Dasin Food Services&quot;)</td>
<td>1/1/2016 - 28/2/2016</td>
<td>Rent free</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/3/2016 - 28/2/2018</td>
<td>RMB40,128</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/3/2018 - 28/2/2020</td>
<td>RMB42,536</td>
</tr>
<tr>
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<td></td>
<td></td>
<td>29/2/2020 - 28/2/2022</td>
<td>RMB45,094</td>
</tr>
<tr>
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<td></td>
<td></td>
<td>1/3/2022 - 28/2/2024</td>
<td>RMB47,802</td>
</tr>
<tr>
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<td></td>
<td></td>
<td>29/2/2024 - 28/2/2026</td>
<td>RMB50,674</td>
</tr>
<tr>
<td>4F402, 4F403 and 4F405</td>
<td>Level 4</td>
<td>1,196.73</td>
<td>Zhongshan Dasin Xinduhi Commercial Investment Co., Ltd. (中山市大信新都匯商業投資有限公司) (the &quot;Dasin E-Colour Master Lease Agreements&quot;)</td>
<td>2/3/2016 - 30/4/2016</td>
<td>Rent free</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/5/2016 - 1/3/2017</td>
<td>RMB47,938</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2/3/2017 - 1/3/2018</td>
<td>RMB55,128</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2/3/2018 - 1/3/2019</td>
<td>RMB63,278</td>
</tr>
<tr>
<td>7F001</td>
<td>Level 7</td>
<td>2,762.00</td>
<td>Zhongshan Dasin Xinduhi Commercial Investment Co., Ltd. (中山市大信新都匯商業投資有限公司) (the &quot;Dasin E-Colour Master Lease Agreements&quot;)</td>
<td>2/3/2016 - 30/4/2016</td>
<td>Rent free</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/5/2016 - 1/3/2017</td>
<td>RMB134,086</td>
</tr>
<tr>
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<td></td>
<td></td>
<td>2/3/2017 - 1/3/2018</td>
<td>RMB150,176</td>
</tr>
<tr>
<td>8F002 and 9F002</td>
<td>Level 8 and 9</td>
<td>2,028.86</td>
<td>Zhongshan Dasin Xinduhi Commercial Investment Co., Ltd. (中山市大信新都匯商業投資有限公司) (the &quot;Dasin E-Colour Master Lease Agreements&quot;)</td>
<td>2/3/2016 - 30/4/2016</td>
<td>Rent free</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/5/2016 - 1/3/2017</td>
<td>RMB67,800</td>
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<td>2/3/2017 - 1/3/2018</td>
<td>RMB77,970</td>
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<tr>
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<td></td>
<td></td>
<td>2/3/2018 - 1/3/2019</td>
<td>RMB89,496</td>
</tr>
</tbody>
</table>

Our Ref.: HK/2015/VPS/13352(VC-3)/AL/MW/EWick
Remarks:

As at the Listing Date, Dasin Retail Trust’s initial portfolio comprises three retail malls including Xiaolan Metro Mall, Ocean Metro Mall and the Property. Both Ocean Metro Mall and the Property have only recently commenced operations, their income streams from these two properties have not yet stabilised. As advised by the Sponsor, they will require income support for the first few years of operations before their income stream stabilises.

We have been advised that the major unitholders of Dasin Retail Trust will waive a portion of their distribution entitlement for the benefit of other unitholders (“Distribution Waiver”) for a period of approximately 5 years from the Listing Date (the “Distribution Waiver Period”). We are of the opinion that the income support amounts under the Distribution Waiver are in line with the underlying market rental income for properties of similar nature to Ocean Metro Mall and the Property.

We are further of the opinion that the projections regarding the average rental rate ranges of the Property reflected in the table set out below, and which the Sponsor and the Trustee-Manager had adopted in arriving at assumptions relating to the rental income for the Property for the purposes of determining the terms of the Distribution Waiver, are principally in line with the market rental ranges of the Property adopted by us in arriving at the valuation of the Property.

We are of the opinion that the existing rent payable and the rental escalation rate under the Dasin E-Colour Master Lease Agreements are in line with prevailing market rental rates and market rental escalation rates of similar properties.

We are further of the opinion that the projections of the Sponsor and the Trustee-Manager regarding the average rental rate ranges of the Property for the corresponding periods as set out in the table below, which the rental rate projections of the Sponsor and the Trustee-Manager as to the duration of rental cycles, market rental rates and growth trajectory of the Property (based on the rent payable and the rental escalation rate under the Dasin E-Colour Master Lease Agreements) above are based upon, are principally in line with the market rental ranges the Property adopted by us in arriving at the valuations of the Property.

We are of the opinion that the existing rent payable under the Second Lease Agreement is above the prevailing market rental rates of similar properties while the rental escalation rate is in line with the prevailing rental escalation rates of similar properties.
Remarks: We are also of the opinion that the existing rent payable and the rental escalation rate under the lease agreement entered into between the Trustee-Manager and Yicai Dasin Food Services is in line with the prevailing market rental rates and market rental escalation rates of similar properties.

<table>
<thead>
<tr>
<th>Assumption</th>
<th>1 Jan to 31 Dec 2016</th>
<th>1 Jan to 31 Dec 2017</th>
<th>1 Jan to 31 Dec 2018</th>
<th>1 Jan to 31 Dec 2019</th>
<th>1 Jan to 31 Dec 2020</th>
<th>1 Jan to 31 Dec 2021</th>
<th>1 Jan to 31 Dec 2022</th>
<th>1 Jan to 31 Dec 2023</th>
<th>1 Jan to 31 Dec 2024</th>
<th>1 Jan to 31 Dec 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Rental Rate Range * (RMB / sq.m. of GFA / month)</td>
<td>30 – 50</td>
<td>30 – 50</td>
<td>40 – 60</td>
<td>50 – 70</td>
<td>50 – 70</td>
<td>60 – 80</td>
<td>60 – 90</td>
<td>70 – 100</td>
<td>70 – 110</td>
<td>80 – 120</td>
</tr>
</tbody>
</table>

* GFA excludes car parking spaces
VALUATION REPORT

Valuation Date : 30 June 2016

Property : Ocean Metro Mall (远洋店),
No. 28 Boai Six Road,
Donggu district,
Zhongshan,
Guangdong Province,
PRC (the "Property")

Basis of Valuation : Market value

Date of Inspection : 18 May 2016 and 14 November 2016

Brief Description : The Property is situated on the southern side of Boai Road and bounded by Changmingshui Changyi Road in Zhongshan, Guangdong Province, PRC. The Zhongshan Expo is adjacent to the Property.

The Property is a 5-storey shopping mall over-mounting a 3-level Basement accommodating retail and 1,991 car parking spaces (including 108 twin car parking spaces and 760 civil defense car parking spaces). In accordance with the supplied information, the Property has a total gross floor area of approximately 180,338.04 sq.m. including car parking spaces, civil defense, roof and ancillary facilities of approximately 94,473.09 sq.m.. As informed by the Trustee-Manager, the retail portion of the Property has a total net leasable area of approximately 66,895.13 sq.m.

As at the valuation date, the occupancy rate of the Property was approximately 99.5% (based on the net leasable area)

Site Area : Approximately 23,033.58 sq.m.

Gross Floor Area : Shopping mall – approximately 85,994.90 sq.m. including the roof of approximately 129.95 sq.m. plus Basement car parking spaces, civil defense, roof and ancillary facilities – approximately 94,343.14 sq.m.

Year of Completion : 2014

Tenure : The land use rights of the Property have been granted for a term expiring on 21 February 2046.

Condition : The Property was kept in a reasonable condition as at the date of inspection.

Our Ref.: HK/2015/VPS/13352(VC-3)/AL/MW/EW/ck

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Tenancy Details: As at the valuation date, the Property with a total net leasable area of approximately 66,529.13 sq.m. was subject to various leases with the latest one due to expire on 27 December 2034 at a total monthly rental of approximately RMB3,590,000 (inclusive of taxes, management fees and other outgoings). The remaining portion of the Property was vacant.

The total income generated from the car parking spaces, signage and other miscellaneous items for the period from 1 January 2016 to 30 June 2016 was approximately RMB8,400,000.

Valuation Methodology: Income Capitalization Approach and Discounted Cash Flow Approach

Valuation Assumptions:
(i) Zhongshan Yuanxin Commercial Property Management Co., Ltd. (中山远信商用物业管理有限公司) ("Zhongshan Yuanxin") is in possession of a proper legal title to the Property and is entitled to transfer, lease or mortgage the Property with the residual term of its land use rights at no additional land premium or other onerous charges payable to the government;
(ii) all land premium and costs of resettlement and public utilities services have been fully paid;
(iii) the design and construction of the Property are in compliance with the local planning regulations and have been approved by the relevant authorities;
(iv) the Property can be freely sold to local and overseas buyers; and
(v) in the course of our valuation, we have assumed that the Property will be matured and stabilized within 7 to 10 years. We are of the opinion that the emerging Donggu District where the Property is located is likely to take 7 to 10 years before it reaches a state of maturity.

Reversionary Yield: 4.00%
Stabilized Occupancy Rate: 98.00%
Terminal Capitalization Rate: 3.50%
Discount Rate: 6.50%
Market Value: We have summarized the valuation results of each approach in the table below:

<table>
<thead>
<tr>
<th>Valuation Method</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Capitalization Approach</td>
<td>RMB2,186,000,000</td>
</tr>
<tr>
<td>Discounted Cash Flow Approach</td>
<td>RMB1,840,000,000</td>
</tr>
</tbody>
</table>

Our Ref.: HK/2015/VPS/13352(VC-3)/AL/MW/EW/ck
Market Value (Cont'd)  

We are of the opinion that the market value of the Property in its existing state as at the valuation date is RMB2,013,000,000 (RENMIBI TWO BILLION AND THIRTEEN MILLION ONLY).

Connected Transactions  

The following table shows the summary of the connected lease agreements:

<table>
<thead>
<tr>
<th>Unit No.</th>
<th>Floor Level</th>
<th>Title GFA (sq.m.)</th>
<th>Name of Tenant</th>
<th>Lease Term</th>
<th>Monthly Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>1F111A</td>
<td>Level 1</td>
<td>110.25</td>
<td>Cui Xin Jie (著新杰)</td>
<td>28/12/2014 - 27/11/2015</td>
<td>RMB14,454</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(&quot;Shen Ma Craft&quot; (神玛工艺品))</td>
<td>28/11/2015 - 27/11/2016</td>
<td>RMB15,418</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>28/11/2016 - 27/11/2017</td>
<td>RMB16,381</td>
</tr>
<tr>
<td>3F02</td>
<td>Level 3</td>
<td>9,903.81</td>
<td>Jian Mei Furniture Co., Limited (簡洋家居股份有限公司)</td>
<td>1/10/2014 - 30/9/2016</td>
<td>RMB265,290.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/10/2016 - 30/9/2018</td>
<td>RMB281,207.40</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/10/2018 - 30/9/2020</td>
<td>RMB298,009.10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/10/2020 - 30/9/2022</td>
<td>RMB316,137.25</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/10/2022 - 30/9/2024</td>
<td>RMB335,149.70</td>
</tr>
<tr>
<td>3F303 - 305 and 306</td>
<td>Level 3</td>
<td>271.03</td>
<td>Jian Mei Furniture Co., Limited (簡洋家居股份有限公司)</td>
<td>1/11/2012 - 30/9/2016</td>
<td>RMB13,040</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/1/2016 - 30/9/2017</td>
<td>RMB14,670</td>
</tr>
<tr>
<td>4F401</td>
<td>Level 4</td>
<td>5,957.84</td>
<td>Zhongshan Dasin Food Services Co., Limited (中山市大信餐飲服務有限公司) (&quot;Yuan Yang Dasin Food Services&quot;)</td>
<td>1/12/2014 – 30/11/2016</td>
<td>RMB222,600</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/12/2016 – 30/11/2018</td>
<td>RMB240,408</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/12/2018 – 30/11/2020</td>
<td>RMB259,615</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/12/2020 – 30/11/2022</td>
<td>RMB280,412</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/12/2022 – 30/11/2024</td>
<td>RMB302,863</td>
</tr>
</tbody>
</table>

Remarks  

As at the Listing Date, Dasin Retail Trust's initial portfolio comprises three retail malls including Xiaolan Metro Mall, Dasin E-Colour and the Property. Both Dasin E-Colour and the Property have only recently commenced operations, their income streams from these two properties have not yet stabilised. As advised by the Sponsor, they will require income support for the first few years of operations before their income stream stabilises.

We have been advised that the major unitholders of Dasin Retail Trust will waive a portion of their distribution entitlement for the benefit of other unitholders ("Distribution Waiver") for a period of approximately 5 years from the Listing Date (the "Distribution Waiver Period"). We are of the opinion that the income support amounts under the Distribution Waiver are in line with the underlying market rental income for properties of similar nature to Dasin E-Colour and the Property.

Our Ref.: HK/2015/VPS/13352(VC-3)/AL/MW/EWtck
Remarks (Cont'd)

We are further of the opinion that the projections regarding the average rental rate ranges of the Property reflected in the table set out below, and which the Sponsor and the Trustee-Manager had adopted in arriving at assumptions relating to the rental income for the Property for the purposes of determining the terms of the Distribution Waiver, are principally in line with the market rental ranges of the Property adopted by us in arriving at the valuation of the Property.

Remarks

We are also of the opinion that the existing rents payable and the rental escalation rates under the lease agreements entered into between the Trustee-Manager and Cui Xin Jie (Shen Ma Craft), Jianmei Ocean Branch and Dasin Food Services are in line with the prevailing market rental rates and market rental escalation rates of similar properties.

<table>
<thead>
<tr>
<th>The Property</th>
<th>Assumption</th>
<th>1 Jan to 31 Dec 2016</th>
<th>1 Jan to 31 Dec 2017</th>
<th>1 Jan to 31 Dec 2018</th>
<th>1 Jan to 31 Dec 2019</th>
<th>1 Jan to 31 Dec 2020</th>
<th>1 Jan to 31 Dec 2021</th>
<th>1 Jan to 31 Dec 2022</th>
<th>1 Jan to 31 Dec 2023</th>
<th>1 Jan to 31 Dec 2024</th>
<th>1 Jan to 31 Dec 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Rental Rate Range* (RMB / sq.m. of GFA / month)</td>
<td>40 - 60</td>
<td>40 - 70</td>
<td>50 - 80</td>
<td>50 - 90</td>
<td>60 - 100</td>
<td>60 - 110</td>
<td>60 - 120</td>
<td>60 - 130</td>
<td>70 - 140</td>
<td>80 - 150</td>
<td></td>
</tr>
</tbody>
</table>

* GFA excludes car parking spaces
VALUATION REPORT

Valuation Date : 30 June 2016

Property : Shiqi Metro Mall (石岐店),
No. 2 South Dasin Road,
Shiqi District,
Zhongshan,
Guangdong Province,
PRC (the "Property")

Basis of Valuation : Market value

Date of Inspection : 18 May 2016 and 14 November 2016

Brief Description : The Property is situated on the north side of Dasin South Road and
bounded by Liantang North Road in Zhongshan, Guangdong Province,
PRC.

The Property comprises a 5-storey shopping mall over a 2-level
Basement accommodating retail and 545 car parking spaces. It has a
total gross floor area of approximately 119,681.95 sq.m. including car
parking spaces of approximately 18,096.83 sq.m. As informed by the
Trustee-Manager, the retail portion of the Property has a total net
leasable area of approximately 86,351.82 sq.m.

As at the valuation date, the occupancy rate of the Property was
approximately 98.8% (based on the net leasable area)

Site Area : Approximately 33,835.38 sq.m.

Gross Floor Area : Shopping mall – approximately 101,585.12 sq.m. (including
approximately 674.26 sq.m. which is in the process of applying for the
Building Ownership Certificate) plus Basement car parking spaces –
approximately 18,096.83 sq.m.

Year of Completion : 2004

Tenure : The land use rights of the Property have been granted for a term expiring
on 27 July 2041(1).

Condition : The Property was kept in a reasonable condition as at the date of
inspection.
Tenancy Details: As at the valuation date, the Property with a total net leasable area of approximately 85,312.22 sq.m. was subject to various leases with the latest one due to expire on 11 July 2025 at a total monthly rental of approximately RMB8,520,000 (inclusive of taxes, management fees and other outgoings). The remaining portion of the Property was vacant.

The total income generated from the car parking spaces, signage and other miscellaneous items for the period from 1 January 2016 to 30 June 2016 was approximately RMB6,700,000.

Valuation Methodology: Income Capitalization Approach and Discounted Cash Flow Approach

Valuation Assumptions:

(i) Zhongshan Dasin Management and Investment Co., Ltd. (中山市大信管理投资有限公司) ("Zhongshan Dasin") is in possession of a proper legal title to the Property and is entitled to transfer, lease or mortgage the Property with the residual term of its land use rights at no additional land premium or other onerous charges payable to the government;

(ii) all land premium and costs of resettlement and public utilities services have been fully paid;

(iii) the design and construction of the Property are in compliance with the local planning regulations and have been approved by the relevant authorities; and

(iv) the Property can be freely sold to local and overseas buyers.

Reversionary Yield: 4.00%

Stabilized Occupancy Rate: 98.00%

Terminal Capitalization Rate: 3.50%

Discount Rate: 6.50%

Market Value: We have summarized the valuation results of each approach in the table below:

<table>
<thead>
<tr>
<th>Valuation Method</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Capitalization Approach</td>
<td>RMB2,840,000,000</td>
</tr>
<tr>
<td>Discounted Cash Flow Approach</td>
<td>RMB2,767,000,000</td>
</tr>
</tbody>
</table>

We are of the opinion that the market value of the Property in its existing state as at the valuation date is RMB2,803,500,000 (RENMINBI TWO BILLION EIGHT HUNDRED THREE MILLION AND FIVE HUNDRED THOUSAND ONLY).

Notes:
(1) The expiry dates of the land use rights of the Property are 27 July 2041 and 27 July 2071 for commercial and residential uses respectively.

Our Ref.: HK/2015/VPS/13352(VC-3)/AL/MW/EW/ck Page 20
Independent Market Research Report for Dasin Retail Trust

November 08, 2016

Final Report

Presented by: Beijing CBRE Property Management Services Limited Shanghai Branch - Investment Advisory Services - China
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  9.3.1. Trade Area Definition 101
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1. CHINA MACROECONOMIC OVERVIEW

1.1. Introduction

The People’s Republic of China (China) is Asia’s largest country, excluding Russian territory in Northern Asia, with a total land area of 9.6 million km². China is also the most populous country in the world with a total population of approximately 1.37 billion people, as at 2015.

Economically, in 2010, China surpassed Japan as Asia’s largest economy and became the second largest economy in the world. As at 2015, China had a nominal gross domestic product (GDP) of RMB 67.7 trillion, approximately US$10.7 trillion. Between 2008 and 2015, China’s economy has averaged 8.6% YoY real GDP growth per year, the fastest among major world economies.

In general, China’s coastal provinces are more industrialized compared to inland provinces and a large amount of economic activity has been centered on three “economic powerhouse” regions along the coastal regions of China: 1) Yangtze River Delta (YRD), 2) Pearl River Delta (PRD) and 3) Bohai Economic Rim (BER).

In recent years, the West Triangle Economic Zone has seen a large amount of economic activity and is emerging as an “economic powerhouse” of western China. The West Triangle Economic Zone is a part the government’s larger China Western Development policy. However, the West Triangle Economic Zone lags economically behind its coastal counterparts.

Figure 1: Economic Regions of China

![Economic Regions of China](image_url)

Source: CBRE, Not to Scale

---

1 RMB 1 = US$0.1587. Exchange Rate is the 2015 average, Source: Oxford Economics
The PRD covers nine prefectures of the province of Guangdong, namely Guangzhou, Shenzhen, Zhuhai, Dongguan, Zhongshan, Foshan, Huizhou, Jiangmen and Zhaoqing, while the Greater PRD region will also include the SARs of Hong Kong and Macau. It is one of the most densely urbanized regions in the world and one of main hubs of China’s economic growth. The PRD is often considered an emerging megacity.

The nine largest cities of PRD had a combined resident population of 58.74 million and has overtaken Tokyo to become the world’s largest urban area in both size and population, according to a report from the World Bank2.

As of 2015 the PRD had a nominal GDP of RMB 6,226.75 billion and a real GDP growth of 8.6% relative to 20143. This compares favorably with many regional and global economies including Malaysia (5.0%), Singapore (2.0%), Japan (0.6%), Spain (3.2%), and France (1.2%)4.

The average GDP per capita for the PRD was RMB 107,0115, more than double the China national average. At the end of 2015, the urban household disposable income per capita of these nine cities reached RMB 38,0616, approximately 22% higher than the China national average.

Comprising only 0.6% of China’s total land area and 4.3% of the total population, the nine cities of the PRD region accounted for 26% of the country’s exports and benefited from almost 33% of inbound foreign direct investment (FDI) as of 2015.

---

4 Oxford Economics
5 Guangzhou Yearbook 2016
6 Disposable income per capita is calculated as the weighted average of the nine cities’ per capita disposable income
1.2. Key Macroeconomic Indicators

Figure 2: China's Major Macroeconomic Indicators

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal GDP (RMB Billion)</td>
<td>31,675</td>
<td>34,563</td>
<td>40,890</td>
<td>48,412</td>
<td>53,412</td>
<td>58,802</td>
<td>63,646</td>
<td>67,715</td>
<td>71,753</td>
<td>11.5%</td>
</tr>
<tr>
<td>Real GDP Growth (%)</td>
<td>9.81</td>
<td>8.98</td>
<td>10.71</td>
<td>9.56</td>
<td>7.69</td>
<td>7.70</td>
<td>7.40</td>
<td>6.90</td>
<td>6.30</td>
<td>8.6^</td>
</tr>
<tr>
<td>Nominal GDP per capita (RMB)****</td>
<td>23,617</td>
<td>25,550</td>
<td>30,093</td>
<td>35,417</td>
<td>38,781</td>
<td>42,444</td>
<td>45,619</td>
<td>49,279</td>
<td>53,306</td>
<td>11.1%</td>
</tr>
<tr>
<td>GDP (Adjusted for PPP, RMB Billion)***</td>
<td>68,290</td>
<td>73,867</td>
<td>81,802</td>
<td>87,121</td>
<td>93,308</td>
<td>99,436</td>
<td>108,539</td>
<td>123,053</td>
<td>143,057</td>
<td>8.8%</td>
</tr>
<tr>
<td>Annual Disposable Income per capita (RMB)</td>
<td>15,781</td>
<td>17,175</td>
<td>19,109</td>
<td>21,810</td>
<td>24,565</td>
<td>26,955</td>
<td>28,844</td>
<td>31,195</td>
<td>33,838</td>
<td>10.2%</td>
</tr>
<tr>
<td>Consumer Expenditure (RMB Billion)</td>
<td>11,167</td>
<td>12,358</td>
<td>14,076</td>
<td>16,896</td>
<td>19,058</td>
<td>21,219</td>
<td>24,292</td>
<td>26,634*</td>
<td>29,083</td>
<td>13.2%</td>
</tr>
<tr>
<td>Consumer Expenditure per capita (RMB)******</td>
<td>11,243</td>
<td>12,265</td>
<td>13,472</td>
<td>15,161</td>
<td>16,674</td>
<td>18,023</td>
<td>19,968</td>
<td>21,392</td>
<td>23,322</td>
<td>9.6%</td>
</tr>
<tr>
<td>Retail sales (RMB Billion)**</td>
<td>11,483</td>
<td>13,268</td>
<td>15,700</td>
<td>18,392</td>
<td>20,717</td>
<td>23,781</td>
<td>26,239</td>
<td>29,093</td>
<td>33,332</td>
<td>14.8%</td>
</tr>
<tr>
<td>Retail Sales per capita (RMB)****</td>
<td>8,647</td>
<td>9,942</td>
<td>11,708</td>
<td>13,650</td>
<td>15,161</td>
<td>16,674</td>
<td>18,023</td>
<td>19,968</td>
<td>21,392</td>
<td>14.2%</td>
</tr>
<tr>
<td>Urbanization Rate (%)</td>
<td>46.5</td>
<td>47.9</td>
<td>49.2</td>
<td>50.6</td>
<td>51.9</td>
<td>53.2</td>
<td>54.4</td>
<td>55.6</td>
<td>56.7</td>
<td>51.2^</td>
</tr>
<tr>
<td>Consumer Price Index (Y-o-Y % Change)</td>
<td>5.9</td>
<td>-0.7</td>
<td>3.3</td>
<td>5.4</td>
<td>2.6</td>
<td>2.6</td>
<td>2.0</td>
<td>1.4</td>
<td>1.6</td>
<td>2.83^</td>
</tr>
<tr>
<td>Fixed Asset Investment (RMB Billion)***</td>
<td>12,496</td>
<td>15,292</td>
<td>18,119</td>
<td>21,394</td>
<td>23,775</td>
<td>26,303</td>
<td>28,302</td>
<td>29,523</td>
<td>31,201</td>
<td>13.1%</td>
</tr>
<tr>
<td>Utilized Foreign Direct Investment (RMB Billion)</td>
<td>114,792</td>
<td>87,169</td>
<td>185,748</td>
<td>231,650</td>
<td>217,957</td>
<td>208,678</td>
<td>214,425</td>
<td>207,964</td>
<td>10.5%</td>
<td></td>
</tr>
<tr>
<td>Exports of Goods (RMB Billion)***</td>
<td>10,391</td>
<td>8,537</td>
<td>10,856</td>
<td>12,981</td>
<td>13,723</td>
<td>14,483</td>
<td>15,253</td>
<td>14,965</td>
<td>16,221</td>
<td>4.5%</td>
</tr>
<tr>
<td>Imports of Goods (RMB Billion)***</td>
<td>7,967</td>
<td>7,033</td>
<td>9,347</td>
<td>11,806</td>
<td>12,260</td>
<td>13,035</td>
<td>13,503</td>
<td>12,642</td>
<td>13,291</td>
<td>3.9%</td>
</tr>
<tr>
<td>Exchange Rate RMB (Average, RMB:USD)</td>
<td>6.95</td>
<td>6.83</td>
<td>6.77</td>
<td>6.46</td>
<td>6.31</td>
<td>6.15</td>
<td>6.16</td>
<td>6.30</td>
<td>6.80</td>
<td>6.49^</td>
</tr>
</tbody>
</table>

* Simple Average
** 2015 figure is estimation from Oxford Economics
*** 2016 forecast is calculated on retail sales value index in 2016 provided by Oxford Economics
**** In 2011, a new methodology for FAI has been adopted. Prior to 2011, FAI with a value above RMB 0.5 million was included. After 2011, FAI with a value above RMB 5 million was included and FAI below RMB 5 million was excluded.
***** Nominal GDP per capita, GDP adjusted for PPP, exports and imports of goods were converted to RMB using annual average exchange rate from Oxford Economics
****** Retail sales per capita is calculated on retail sales and resident population from NBS. 2016 forecast is calculated on retail sales value index and population growth from 2016 provided by Oxford Economics

Source: Oxford Economics, National Bureau of Statistics (NBS), CBRE
GDP and GDP Growth Trend

Figure 3: Nominal GDP of China, Japan and USA (2008-2020F)

China’s economy has experienced rapid economic growth over the last two decades to become one of the fastest growing economies in the world. China’s strong economic growth is evidenced by its real GDP growth rate, which has measured an average of 8.59% per year between 2008 and 2015. China’s GDP growth exceeded the world average, 3.28%, as well as other developed economies such as the United States (1.39%), Euro Zone (0.09%), and Japan (0.25%), over the same period. 

Figure 4: China Nominal GDP per capita and Real GDP Growth (2008-2020F)

Source: IMF World Economic Outlook Database as of April 2015, 2015, 2020F GDP data are from Oxford Economics
Note: Nominal GDP in USD was converted into RMB using annual average exchange rate provided by Oxford Economics

Source: Oxford Economics, IMF World Economic Outlook Database as of April 2015, CBRE

Data source: IMF

7 Data source: IMF
Looking forward, as the Central Government attempts to put China’s economy on a more sustainable growth path, Oxford Economics estimates that China’s real GDP will grow at an average of 6.15% per annum between 2016 and 2017.

China’s rapid economic growth has been fuelled by a combination of the following factors:

- **Large Population Base and Rapid Urbanization**
  China has a population of over 1.37 billion, as at 2015. The urban share of China’s population has increased from approximately 26.4% in 1990 to 55.6% in 2015. Conversely, the rural share of population has contracted from 73.6% to 44.4% over the same period. The rural-urban migration trend is expected to continue in the foreseeable future and urbanization is expected to reach 57.7% by 2017 according to Oxford Economics.

- **Fixed Asset Investment**
  The total investment in fixed assets hit RMB 29.5 trillion in 2015, increasing at a CAGR of 13.1% since 2008. According to the National Bureau of Statistics (NBS), fast growth of fixed asset investments can be attributed to regional development, optimizing industrial investments and active private investments. Driven by various government policies, private investment has grown rapidly since 2007.

- **Import / Exports**
  Although China is currently a net exporter of goods, imports have been growing at a faster rate than exports between 2008 and 2015. This can be largely attributable to strong domestic demand. Due to robust domestic demand, China is becoming one of the world’s largest consumer markets.

- **Increasing Domestic Consumption, Retail Sales and Urban Household Income**
  Domestic consumer spending is expected to play an increasing role in contributing to China’s economic growth in the future. Consumer expenditure increased at a CAGR of 13.2% between 2008 and 2015. Strong consumer spending growth is supported by increasing disposable income per capita, which increased at a CAGR of 10.2% between 2008 and 2015. Likewise, China’s retail sales of consumer goods have experienced a CAGR of 14.8% between 2008 and 2015.

  In the wake of the Global Financial Crisis (GFC), China’s economic growth has decelerated since 2010. China’s new Central Leadership headed by Xi Jinping, China’s new President, and Li Keqiang, China’s new Premier, has advocated the need to reform the current export and investment-driven economy to a domestic consumption-driven economy and is targeting sustainable future economic growth.

  According to Oxford Economics, it is predicted that the consumer expenditure and retail sales will continue to increase at approximately 9.3% and 10.3% per annum respectively through 2017. During the same period, annual disposable income per capita of urban households is forecasted to increase at approximately 11.0% per annum, strongly supporting the domestic consumption market.
Exchange Rate

Between 1997 and 2005, the People’s Bank of China pegged the RMB to the USD in order to maintain China’s export competitiveness. Between 2005 and 2008, under international pressure, small steps to appreciate the currency were implemented and China moved to a “managed float” against the USD. It is noted that when the GFC hit, the RMB was, unofficially, maintained at an exchange rate of approximately RMB 6.83 to USD 1.

Since the GFC, a managed float exchange rate system based on market supply and demand, with reference to a basket of foreign currencies has been adopted. The RMB now floats within a range of +/- 2% against central parity level of the currency basket.

It is further noted that on August 11, 2015 the People’s Bank of China announced an enhancement to the reference rate, stating that market makers must now consider the closing rate of the inter-bank foreign exchange market on the previous day. This led to a depreciation of about 2% of the RMB against the USD.

According to the Oxford Economics Forecast, the RMB is expected to depreciate modestly against USD through 2017.

Inflation

Inflation was relatively low in between 2001 and 2006. However, starting in 2007, inflation started to accelerate against a backdrop of a booming global economy. During the GFC, inflation declined dramatically, from 5.9% in 2008 to -0.7% in 2009.

By 2010, after rolling out a RMB 4 trillion stimulus package, inflation started to increase, including housing related costs. In 2011, China’s national level CPI reached a relatively high level of 5.4%.

In order to tame inflation, the Central Government introduced a series of tightening measures aimed at preventing the economy from overheating. Measures included: 1) tightening credit conditions, 2) increasing interest rates, 3) increasing required reserve ratios (RRR) for banks, 4) controlling runaway residential property prices, and 5) increasing the down payment requirements for mortgage loans. The measures focused on draining excess liquidity from the market and reducing inflation. As a result, CPI decelerated and increased more modestly at a lower rate of 1.4% in 2015.

1.3. Key Relevant Real Estate Policies

3rd Plenum Policy

In 4Q 2013, CPC Central Committee announced several key issues following the 18th Third Plenum. Key policies and guidelines related to rural development include:

1) Future infrastructure investment will primarily be directed towards suburban areas along with encouraging capital flows to these areas.

2) Changes to China’s “Hukou”, or residency permit, system can be expected to facilitate rural residents migrating to urban areas, particularly in China’s 2nd and 3rd tier cities.
3) Changes to the way rural land is treated can be expected to further facilitate the urbanization process by allowing rural residents to receive increased compensation when their land is sold for commercial development. In the longer term, a more free movement of rural residents to urban areas can be expected, thus creating demand for urban residential units.

National New Urbanization Plan 2014-2020

In 1Q 2014, the State Council announced the “National New Urbanization Plan 2014 – 2020” (New Urbanization Plan). Key initiatives and guidelines of this New Urbanization Plan include:

1) Promote the reform of the current household registration system, known as “hukou”, and increase the equability of basic public services between urban residents, migrant workers presently living in cities, and rural residents.

2) A new residence permit system will be introduced, with different levels of eligibility requirements. This is expected to allow a greater number of migrant workers that have already settled into cities, but have yet to gain urban residency status, access to basic public services which were previously inaccessible.

3) Progressively granting urban residency status to eligible rural migrant workers, and their families, who have the sufficient means to permanently settle in cities.

4) Modernization of agriculture. Key initiatives to achieve this goal include: i) improvement of agricultural technology and management, ii) improvement of storage and distribution systems of agricultural products, iii) guaranteeing food safety and the supply of important agricultural products, and iv) improvement of pricing mechanism for agricultural products. These initiatives are expected to increase the skills of farmers and rural residents, narrowing the development gap between rural and urban residents, as well as improving food safety and security.

5) Foster the transfer of labor intensive manufacturing work from higher tier cities to surrounding lower tier cities, improve the inter-city transportation and public service/resource sharing between higher tier cities and lower tier cities, for example, by creating a one hour transport zone.

6) Promote and develop specialized industries of small and medium-sized cities so that they are able to attract rural residents and avoid overcrowding of existing major city clusters. This will also involve the integration of small and medium-sized cities to existing transportation and information networks.

7) Preserve culture and foster the uniqueness of individual cities and townships. The goal is to diversify the development of different cities according to their own natural, historical, and cultural characteristics. This will also include the preservation of cultural relics, restoration and protection of historical landmarks, and the preservation of local cultures.

8) Promote a green and low-carbon urbanization process, and reduce damage to the environment. Initiatives to achieve this goal include: i) conservation and efficient use of water, land, energy, and other non-renewable resources, ii) increase ecological restoration and environmental protection, iii) promote the development of green and smart cities, iv) encourage a “green lifestyle”, v) encourage low-carbon construction methods, and vi) encourage low-carbon operation and management of cities.
1.4. Planning Trends

Emergence of City Clusters

In parallel with the drive towards urbanization as mentioned above, there has been a trend towards the development of city clusters in China. Two major factors influencing this trend include:

1) Economic Balance

Urbanization is a key priority for the Chinese government in the attempt to transition to a more consumption-based economy which is more sustainable in the long term. The support of the city cluster concept is expected to stimulate domestic consumption and address the concern of imbalanced development between first tier coastal cities and lower tier cities, both along the coast an inland.

2) Infrastructure Development

Significant investment in infrastructure is also driving the emergence of China’s city clusters. This includes the development of inter-city highways, bridges and tunnels, and the expansion of China’s high-speed rail network. All of these are facilitating the economic and logistical integration of the individual cities within the respective city clusters.

In support of the trend towards the development of city cluster, the National Development and Reform Commission (NDRC) has previously announced that it would develop ten more city clusters as China urbanizes further. Existing city clusters include Beijing-Tianjin-Hebei, YRD, and PRD with further development expected in China’s Western regions8. The PRD cluster comprises such cities as Guangzhou, Shenzhen, Zhuhai, Dongguan, Zhongshan, Foshan, Huizhou, Jiangmen and Zhaoqing, and is expected to benefit from continued government efforts to develop the PRD city cluster.

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In addition to the NDRC’s announcement, the Ministry of Housing and Urban-Rural Development (MOHURD) has also previously announced that it would require each city / county to recommend at least one small town to be included in the government’s priority support list for key development. Eligible towns must meet certain criteria such as population size, significant location advantages, and have large potential for economic development. Key towns are expected to have the ability to provide integrated services, urban planning and management skills, as well as scientific and technological innovation capabilities9.

Trend towards Mixed Use Commercial Development

In recent years, there has been a trend towards mixed-use development projects in large cities across China. This trend is in part linked to the trend of development of city clusters outlined above. On the supply side, mixed-use commercial development has been largely driven by the following factors:

1) The government’s control on residential real estate has increased the number of mixed-use development projects which may comprise both commercial and residential (or quasi-residential) components. This may assist in discouraging purely speculative development and investment which is more prevalent in the residential sector. Accordingly, in some cases the Government has been bundling up many land sites into larger parcels and land sites are now often earmarked for mixed use.

2) Local governments can generate a higher and more sustainable tax base from commercial properties, as compared with pure residential properties. Taxes generated by commercial properties which are not generated by residential properties include:
   a) Real Estate Tax – 12% of rental revenues
   b) Corporate Tax – 25% of profits for business occupying the commercial properties
   c) Personal Income Tax – for employees working in commercial properties
   d) VAT – for rental of commercial properties

3) Commercial properties create employment opportunities within those districts they are located, and therefore support the successful economic development of those districts.

On the demand side, factors influencing the trend of mixed-use commercial development include:

1) Urbanization has accelerated the development of satellite towns and regional commercial centers located outside of the core downtown areas, but still within the urban area. Typically, mixed-use development projects are favored in these areas.

2) Increasing popularity of “Work/Live/Play” concept. Increasingly, people prefer to work, live, and play in one central location as urban sprays in China continue to expand and commutes between suburban areas to downtown areas become longer.

3) Mixed-use commercial projects provide for synergies between the various components, thus increasing the probability of overall success for the project. For example, office buildings will create demand for hotels located on adjacent land plots. The hotel will in turn increase the achievable rentals for office buildings as it is seen as a key supporting facility.

4) Developing mixed-use projects, developers can diversify their risk across different sectors. A developer of a mixed-use project, for example, can potentially diversify their risk across office, retail, and residential sectors. A pure residential developer, however, is highly susceptible to residential market fluctuations and policies directed at the residential sector.
2. ZHONGSHAN MACROECONOMIC OVERVIEW

2.1. Introduction

Zhongshan is part of the Pearl River Delta, located in Guangdong province in South China. The city is the birthplace of Sun Yat-sen (Sun Zhongshan), who is considered as the founding father of modern China. It is adjacent to Guangzhou to the north and close to Hong Kong and Macau. Within the 1,800 sq km of area that the city covers, there are 24 administrative districts. As at the end of 2015 there were 3.21 million residents in Zhongshan.

Prior to the 1970s the major driver of the Zhongshan economy was agriculture. Subsequently, the secondary and tertiary industries developed prosperously as the result of the Chinese economic reform. Benefiting from its location, Zhongshan attracted capital from Hong Kong, Macau and other overseas locations, which fueled the development of traditional industries such as textile, electronic devices and home appliances manufacturing, food production, as well as high-tech industries such as bio-engineering and I.T. among others.

Specific areas within Zhongshan are widely known for their respective areas of focus in terms of industry, including:

Guzhen Town

Guzhen Town, also known as China’s Lightning Capital, accounts to a large proportion of the national output of lightning fittings. As of 2015, the total output of the local lighting industry was RMB 17.7 billion. At the same date, there were nearly 9,000 lighting companies in Guzhen Town, most of which were mainland enterprises. Products from Guzhen Town are known to be exported to Taiwan, Hong Kong and Macau, and further away destinations such as North America and Europe. Other industries that account to the local GDP include the manufacturing of plastic products, construction and decoration materials.

Xiaolan Town

Xiaolan Town’s economy is driven by manufacturing, and it is most widely known as being the “Locks and Hardware” and “Electronic Acoustics” industrial base of China. Both local and foreign enterprises specialized in the production of domestic stereo, DVDs, high-tech digital audio equipment and loudspeakers are located in Xiaolan Town. According to the Zhongshan government, Xiaolan Town has over 100 nationally recognized companies including Vatti, an electric oven manufacturer, and Luxking Group Holdings Limited, a pressure-sensitive adhesive manufacturer. Foreign companies that have presence in Xiaolan Town include Honeywell, Danone, TTM Technologies and Dow Chemical Company.

In 2015, Xiaolan Town had a nominal GDP of RMB 27.44Billion, observing a growth of 5.8% over the previous year. The economic structure for Xiaolan Town is heavily focused on the secondary

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10 Zhongshan Guzhen Town Government (http://www.zsguzhen.gov.cn/gzgk/n95gzgk.asp)
11 Zhongshan Government (http://www.zs.gov.cn/)
12 Zhongshan Government (http://www.zs.gov.cn/)
industry (55.4%) although the tertiary sector also has a significant weight in the economic structure (44.4%). The primary sector only accounts for 0.2% of total economic activity.\textsuperscript{13}

Going forward, the local government plans to establish a finance center and e-commerce service center. E-commerce activities within enterprises are expected to receive support from the local government in Xiaolan Town. M&A activity between SMEs are also expected to receive encouragement from the local government.

**Torch Hi-tech Industrial Development Zone**

Torch Hi-tech Industrial Development Zone has over one thousand industrial enterprises, among which 20 are from the Fortune 500. The major industries represented in the zone are Automobiles and Auto-Parts, Bio-Pharmaceuticals, Packaging, Information Technology, and Chemicals.\textsuperscript{14} The zone realized a GDP of RMB 44.3 billion in 2015, reflecting a year-on-year increase of 8.6%. Major investors within the zone also include foreign companies such as Canon, Wistron and Sumitomo Electric.\textsuperscript{15}

As of June 2015, the primary, secondary and tertiary industries accounted for 1.7%, 54.8% and 43.5% of the total GDP, respectively. At present, secondary sector drivers include industries such as I.T., textiles, electronics engineering, chemical production and metal production. Tertiary sector drivers include industries such as logistics, trading, real estate, finance and tourism.

**Shiqi District**

Shiqi District is located in the center of Zhongshan, and is considered the city’s commerce and cultural center. In 2015, nominal GDP stood at RMB 17.31 billion, observing a growth of 8.5% over the previous year. The local government has enacted policies to encourage enterprises to establish their headquarters in this district. The district road transportation system is also expected to be recipient of upgrades in the near future.

**Dongqu District**

In 2015, the district’s nominal GDP was RMB 18.75 Billion, growing by 8.6% over the previous year. The economic structure of the Dongqu District is heavily focused on the service industry (89.8%). Going forward, the government has plans to promote the financial services sector. It has also created a special fund that provides financial rewards companies that become listed on the stock exchange. Through 2014, three companies have been rewarded a total of RMB 8.5 million under this plan.\textsuperscript{16}

\textsuperscript{13} Zhongshan Government (http://www.zs.gov.cn/)
\textsuperscript{14} Torch Hi-tech Development Zone (http://www.zstorch.gov.cn/)
\textsuperscript{15} Zhongshan Torch Hi-tech Development Zone, Hong Kong Trade Development Council, 8 April 2014 (http://china-trade-research.hktdc.com/)
\textsuperscript{16} Zhongshan Government (http://www.zs.gov.cn/)
Figure 6: Location of Zhongshan

Source: Map data ©2015 Google
2.2. Key Macroeconomic Indicators

Figure 7: Zhongshan’s Major Macroeconomic Indicators

<table>
<thead>
<tr>
<th>Major Macro Indicators</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>CAGR*** (08 - 15)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (RMB million)</td>
<td>145,701</td>
<td>156,641</td>
<td>185,065</td>
<td>219,320</td>
<td>244,104</td>
<td>263,893</td>
<td>282,300</td>
<td>301,003</td>
<td>10.9%</td>
</tr>
<tr>
<td>Real GDP Growth (%)</td>
<td>11.1%</td>
<td>10.2%</td>
<td>13.9%</td>
<td>13.1%</td>
<td>11.0%</td>
<td>10.0%</td>
<td>8.0%</td>
<td>8.4%</td>
<td>10.7%</td>
</tr>
<tr>
<td>GDP per capita (RMB)</td>
<td>52,921</td>
<td>54,156</td>
<td>60,797</td>
<td>70,014</td>
<td>77,527</td>
<td>83,393</td>
<td>88,682</td>
<td>93,770</td>
<td>8.5%</td>
</tr>
<tr>
<td>Disposable Income Per Capita (RMB)**</td>
<td>21,560</td>
<td>23,088</td>
<td>25,357</td>
<td>27,700</td>
<td>31,130</td>
<td>34,274</td>
<td>34,304</td>
<td>37,254</td>
<td>8.1%</td>
</tr>
<tr>
<td>Fixed Asset Investment (RMB million)</td>
<td>44,495</td>
<td>54,561</td>
<td>66,037</td>
<td>76,695</td>
<td>89,343</td>
<td>96,293</td>
<td>90,366</td>
<td>105,541</td>
<td>13.1%</td>
</tr>
<tr>
<td>Contracted Foreign Direct Investment (RMB million)**</td>
<td>4,966</td>
<td>2,770</td>
<td>5,212</td>
<td>6,968</td>
<td>8,320</td>
<td>8,122</td>
<td>5,459</td>
<td>6,489</td>
<td>3.9%</td>
</tr>
<tr>
<td>Retail Sales (RMB million)</td>
<td>48,029</td>
<td>54,976</td>
<td>64,811</td>
<td>75,607</td>
<td>80,933</td>
<td>89,055</td>
<td>98,180</td>
<td>107,974</td>
<td>12.3%</td>
</tr>
<tr>
<td>Retail Sales per capita (RMB)</td>
<td>17,035</td>
<td>18,540</td>
<td>20,755</td>
<td>24,061</td>
<td>25,652</td>
<td>28,059</td>
<td>30,751</td>
<td>33,637</td>
<td>10.2%</td>
</tr>
<tr>
<td>per capita Expenditure (RMB)*</td>
<td>16,868</td>
<td>17,415</td>
<td>18,833</td>
<td>20,519</td>
<td>22,288</td>
<td>24,093</td>
<td>22,944</td>
<td>24,327</td>
<td>5.4%</td>
</tr>
<tr>
<td>Resident Population (thousand)</td>
<td>2,820</td>
<td>2,965</td>
<td>3,123</td>
<td>3,142</td>
<td>3,155</td>
<td>3,174</td>
<td>3,193</td>
<td>3,210</td>
<td>1.9%</td>
</tr>
<tr>
<td>CPI growth rate (%)</td>
<td>5.5</td>
<td>-2.9</td>
<td>3.0</td>
<td>5.4</td>
<td>2.3</td>
<td>1.6</td>
<td>2.2</td>
<td>0.8</td>
<td>2.2%</td>
</tr>
<tr>
<td>Exports of Goods (RMB Billion)**</td>
<td>130.0</td>
<td>121.2</td>
<td>152.3</td>
<td>145.4</td>
<td>154.9</td>
<td>151.5</td>
<td>171.8</td>
<td>173.9</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

Source of Data: Zhongshan Statistics Bureau (http://www.zsstats.gov.cn)

^ Simple Average (calculated with values from 2009-2015)
* Of urban residents, 2014 expenditure data was from Guangdong Statistical Yearbook (2015)
** Contracted FDI and exports of goods were converted into RMB using annual average exchange rate provided by Oxford Economics
*** CAGR reflects 2008 through latest available figures
GDP and GDP Growth Trends

As of 2015 Zhongshan ranks 6th in terms of economic size among the 9 cities in the Pearl River Delta, as measured by nominal GDP, ahead of Zhuhai, Jiangmen and Zhaoqing. The three largest cities by nominal GDP were Guangzhou, Shenzhen and Foshan.

Following a sharp increase in GDP in 2010, real GDP growth in Zhongshan has been slowly trending downward in line with the general economic rebalancing taking place across China. It is noted, however, that Zhongshan’s average annual real GDP growth measured 10.7% between 2008 and 2015, significantly higher than the national average of 8.6% and the Guangdong average of 9.3% during the same period.

In 2015, the nominal GDP of Zhongshan stood at RMB 301.0 billion, with a real GDP growth rate measuring 8.4%, higher than the 6.9% real GDP growth at the national level. The secondary sector grew by 7.6% and accounted for 54.2% of Zhongshan’s GDP. The secondary sector remains a key economic driver as Zhongshan is traditionally strong in the electronics and textile industries. As the city government continued to encourage the development of the service sector, the tertiary sector increased 10.2% in 2015, contributing 43.5% to the nominal GDP of the city. The primary sector, on the other hand, plays a very limited role in the overall city economy at present.
Zhongshan’s GDP per capita increased steadily during the past five years, growing at a CAGR of 8.5% between 2009 and 2015, reaching RMB 93,770 in 2015. Zhongshan’s GDP per capita was nearly two times the national average of RMB 49,351 suggesting a relatively high level of economic productivity, and relatively high standard of living as compared with the China national average.
Retail Sales

Figure 10: Zhongshan Retail Sales and Retail Sales Growth

Source: Zhongshan Statistics Bureau

Retail sales in Zhongshan have been growing steadily from 2008 to 2015, although it is noted that the year-on-year growth rates have been fluctuating as shown in the chart above. Since a low point of 7% annual growth measured in 2012, retail sales began to rebound indicating improved consumer spending in recent years.

As of 2014, retail sales in Zhongshan were RMB 98 billion, representing a 10.25% increase compared to the previous year. The per capita retail sales in Zhongshan were RMB 30,751 in 2014, which ranked 5th of the nine PRD cities, after Guangzhou, Shenzhen, Foshan and Zhuhai.

Approximately 91.8% of the total retail sales came from the urban areas in 2014, which was in line with the relatively high urbanization rate of 88% in Zhongshan.

In 2014, total sales of automobiles and petroleum products reached RMB 14.5 billion and RMB 9.4 billion respectively, with annual growth rates of 17.2% and 3.5%, making up the two most significant components of retail sales in Zhongshan. Home appliances, textiles and general commodities are other major categories of retail sales products. Lodging and F&B sales accounted for a much smaller proportion (9.7% of the total retail sales in 2014) compared to sales of other consumer products.

As of 2015, retail sales in Zhongshan reached RMB 108.0 billion, representing a 10.0% increase compared to 2014.
Inflation

Figure 11: Zhongshan Inflation Trend

The consumer price index of Zhongshan hit a low in 2009 (-2.9%) when the overall consumer price index also dropped at the national level impacted by the Global Financial Crisis. Following a significant rebound in consumer prices in 2010 and 2011 driven in part by the RMB 4 trillion stimulus package in 2010, the consumer price index has been relatively stable ranging from 1.6% to 2.3% from 2012 through 2014. In 2015, the CPI further declined to a lower level of 0.8%. Therefore, inflation rates in Zhongshan, as measured by CPI growth percentage, are considered to be largely under control and basically in line with overall inflation levels of China.

Among the 8 major categories within the consumption basket, the largest increase in price level (3.2%) was seen in the food sector in 2015, followed by the food sector with 2.5% annual increase. The transportation sector has decreased by 2.3% in 2015. Housing and entertainment categories also experienced slight price decreases during the same year.

Source: Zhongshan Statistics Bureau
Population Characteristics

As of 2015, Zhongshan was the second smallest city ahead of Zhuhai, in terms of population, among the nine cities in the Pearl River Delta. The 3 largest PRD cities by population were Guangzhou, Shenzhen and Dongguan, with populations of 13.5 million, 11.0 million and 8.3 million, respectively.

During the past few years, the resident population of Zhongshan increased slightly, rising to 3.21 million by the end of 2015, with a seven-year CAGR of 1.9% between 2008 and 2015. As of 2015, approximately 88.1% of Zhongshan’s residents live in the urban area of the city, significantly higher than the national level of 56.1%.

Zhongshan’s unemployment rate was 2.26% in 2015, with 66,000 newly employed workers added to the local economy during the year.
Income Growth and Domestic Consumption

Figure 13: Zhongshan Urban Resident per capita Disposable Income and Expenditure

Both disposable income and consumer expenditure in Zhongshan increased steadily since 2008. Between 2008 and 2015, the disposable income per capital increased at a CAGR of 8.1% reaching RMB 37,254 as of 2015. This was 19.4% higher than that of the national level, which measured RMB 31,195 in the same year.

It is noted, however, that among the 9 cities in the Pearl River Delta, Zhongshan still lags behind Guangzhou, Shenzhen, Foshan and Zhuhai in terms of urban disposable income per capita as of 2015\(^*\). This can be partly attributed to its relatively immature economy and isolated location with respect to other major cities in Guangdong province at present.

Zhongshan’s consumer expenditure of urban residents rose to RMB 24,327 in 2015 according to the latest data available, representing a CAGR of 5.4% between 2008 and 2015. Consumer expenditure accounted for 65.3% of disposable income in Zhongshan as of 2015, indicating a relatively strong consumer spending culture, which benefits the city’s retail sector.

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\(^*\) Dongguan 2015 disposable income data has not been released yet.
2.3. Urban Planning and Infrastructure Development

There are 24 administrative zones in Zhongshan, including 6 sub-districts and 18 towns. The Torch New Hi-tech Zone, together with the 4 districts - Shiqi District, Xiqu District, Donggu District, and Nanqu District - represent the city center of Zhongshan. Among the 24 administrative zones, Xiaolan Town, Shiqi District, and Guzhen Town are the 3 largest zones by resident population. Torch New Hi-tech Zone, Nanlang Town, and Tanzhou Town are the 3 largest zones by administrative area.
Infrastructure Development

1) According to local planning, Zhongshan is targeting to have 7 metro lines by 2050 comprising a total length of 246.5 km with 124 stations. Phase 1, expected to begin construction before 2020, is planned to comprise the initial segments of Metro Line 1 and Metro Line 2, with 11.8 km and 36.2 km of track respectively. Metro Line 1 will run in the east-west direction, connecting Kangle Road in the west and Mingjiaoshan Park in the east. Metro Line 2 will run in the north-south direction, connecting Dayongxi Station in the south and Shagang Road in the north.

Figure 15: Zhongshan Metro System

2) Zhongshan Harbor is the major passenger and cargo port in Zhongshan. It is located in Hengmen Waterway, to the northeast of the city center, in the Torch New Hi-tech Zone.

3) There are three train stations in Zhongshan – Zhongshan Train Station, Zhongshan North Train Station, and Xiaolan Train Station. These stations are linked into the national railway system.

4) The Guangzhou – Zhuhai Intercity Railway also passes through Zhongshan providing several stops within the city including one in Xiaolan and several within the Zhongshan core urban area. This line began initial service in 2011 and greatly facilitated travel to and from Guangzhou.

5) In January 2014, the first BRT system (bus rapid transit) in Zhongshan was put into use. The lane connects Lihe Square on 3rd Zhongshan Road and the transportation hub in Torch New Hi-tech Zone. It consists of 6 routes, with a combined total length of 71.8 km. The main route is 12.6 km and has reduced the commute time from city center to the Torch New Hi-tech Zone.
to 30 minutes. As of 2015, the daily passenger flow of the fast-speed lane was more than 30,000 people.

6) There are four major highways connecting Zhongshan with other cities: G4 Beijing-Hong Kong-Macau highway; S43 Guangzhou–Zhuhai highway; S26 Shenzhen–Luoding highway and currently under-construction Zhongshan–Kaiping highway.

Urban Planning

Figure 16: Zhongshan Urban Planning

Source: Zhongshan Urban and Rural Planning Bureau, Cuiheng Government

1) A city reconstruction program was launched by the government of Guangdong Province in October 2014, aiming at enhancing the urbanization levels, increasing land usage efficiency, and improving living conditions. According to the plan announced by Zhongshan Urban and Rural Planning Bureau, three zones with different focuses were set up to implement the program, including the northern portion of the city which encompasses Xiaolan Town.

2) Cuiheng New District is a provincial-level economic development zone, located in the eastern part of Zhongshan, covering Nanlang Town, Hengmen Island and the coastal area. The total planned area is 230 sq km, divided into 6 zones. The district is planned to focus on several industries, most notably culture, high-tech, tourism, health care, pharmaceutical, wind power, and ship manufacturing.
3) According to the ‘Qijiang New City Master Planning’ program released by the local government in August 2014, the land usage rate will be improved and the number of high-rise buildings is expected to increase. Going forward, the impacted districts can be expected to develop into a new commercial center with various supporting functions. The program covers Shiqi District, Dongqu District, Gangkou Town, and Torch New Hi-tech District.

**PRD Major Transportation Infrastructure**

Major cities within the Pearl River Delta are currently connected with various major roads and bridges. A bridge connecting Zhongshan with Shenzhen is also planned to be completed by 2023 which will considerably improve connectivity in the region, while the Shenzhen-Maoming High Speed Railway is expected to be completed by 2018. In addition, the Guangzhou-Zhuhai Intercity Railway provides high-speed rail service to a number of cities in the region. Approximate commuting times from Zhongshan to other major regional cities are provided in the table below.

*Figure 17: PRD Major Transportation Infrastructure and Estimated Commuting Times*

<table>
<thead>
<tr>
<th>Major City</th>
<th>Approximate Driving Time (City Center to City Center)</th>
<th>Approximate Driving Time (City Center to Administrative Boundary)</th>
<th>Approximate InterCity Railway Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zhuhai</td>
<td>1 hour</td>
<td>30 minutes</td>
<td>30 minutes</td>
</tr>
<tr>
<td>Jiangmen</td>
<td>1 hour</td>
<td>35 minutes</td>
<td>N/A</td>
</tr>
<tr>
<td>Foshan</td>
<td>1 hour 20 minutes</td>
<td>40 minutes</td>
<td>30 minutes</td>
</tr>
<tr>
<td>Guangzhou</td>
<td>1 hour 30 minutes</td>
<td>50 minutes</td>
<td>40 minutes</td>
</tr>
<tr>
<td>Dongguan</td>
<td>1 hour 30 minutes</td>
<td>1 hour</td>
<td>N/A</td>
</tr>
<tr>
<td>Shenzhen</td>
<td>1 hour 45 minutes</td>
<td>1 hour 15 minutes</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Source: Shenzhen Standard, Zhongshan City Government, Map data ©2015 Google
Shenzhen-Zhongshan Bridge

The Shenzhen-Zhongshan Bridge is a major infrastructure development initiative aiming at connecting Shenzhen with Zhongshan across the Pearl River Delta. Upon completion, the bridge can be expected to benefit both Shenzhen and Zhongshan, accelerating economic and logistical integration between the two cities. The preliminary construction activities started in December 2015 and the bridge is planned to be completed by 2023.

The bridge will aim to reduce the current commute time of almost 2 hours down to 30 minutes. The total length of bridge is planned to be 24 km, starting from the Shenzhen Airport transportation hub, crossing the Pearl River and ending at Ma’an Island in Cuiheng New District in Zhongshan. It is planned to be the main public transportation route between the greater Shenzhen area and the Zhuhai – Zhongshan – Jiangmen area. It is designed to connect the special economic districts- Qianhai, Nansha, Hengqin – and one municipal new district – Cuiheng New District.

Considering a much lower housing price and better living environment in the smaller city of Zhongshan, completion of the bridge is also expected to provide an impetus for some residents to live in Zhongshan and work in Shenzhen with the round-trip commute time cut to about one hour. This trend may be further enhanced by the recent development of Shenzhen being focusing towards the west, where the Qianhai Modern Service Zone is already thriving. This area will be among the closest areas to Zhongshan after completion of the bridge. The potential inflow of residents could also be expected to stimulate consumption in Zhongshan.
In addition, the bridge would provide more convenient access to Shenzhen Bao’an International Airport, potentially making Zhongshan more attractive as an investment destination.

**Hong Kong – Zhuhai – Macau Bridge**

The Hong Kong-Zhuhai-Macau Bridge is a massive infrastructure development currently under construction aiming to facilitate transportation between Hong Kong, Zhuhai and Macau. The project started in December 2009, and the bridge is expected to be completed in 2018 according to information provided by Guangdong Government. Upon completion, the travel time between Hong Kong and Zhuhai would be shortened to about 30 minutes, and the travel distance from Zhongshan to Hong Kong International Airport would be reduced to about 91km.

The bridge is expected to play an important role to boost economic development of PRD region especially west PRD area. It is expected that the bridge can stimulate manufacturing related industries, logistics industry, and infrastructure developments in Zhuhai and Zhongshan. Zhuhai is considered to be the future transportation hub for west PRD.

Much like is the case for the Shenzhen – Zhongshan Bridge, spillover demand for residential units in Zhongshan is expected to be created from Hong Kong and Macau residents. Given the relative distance and necessity to pass immigration, however, we expect that such demand will be largely limited to second homes for vacation or retirement use.

*Figure 19: Hong Kong – Zhuhai – Macau Bridge (HZMB)*

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18 Guangdong Government Website: (http://zwgk.gd.gov.cn/006939748/201512/i20151203_631283.html)
2.4. Prominent Real Estate Development Projects in Zhongshan

Some prominent real estate investors and developers have invested in Zhongshan in recent years including Keppel Land, Sun Hung Kai Properties, and Century Bridge Capital. These investments have been driven by the rising middle class in Zhongshan as well as the ongoing and planned improvements in local infrastructure including the Hong Kong-Zhuhai-Macau Bridge and Shenzhen-Zhongshan Bridge.

Keppel Cove Project

Located on MaDao Island in Shenwan Town of Zhongshan, the Keppel Cove project is an integrated residential cum marina lifestyle development with 250 landed homes with individual private berths and additional 158 berths for the yachting community. Villa sizes range from 300 sqm up to 1,000 sqm. A total of 42 villas within the first phase of the project have been launched in 2015 with a quoted selling price of RMB 40,000 per sqm. The planned establishment of a CIPQ (Custom, Immigration, Quarantine and Port-Clearance) is expected to make the direct sailing between Zhongshan and Macau possible and convenient. The project was listed in Guangdong Province’s “Twelfth Five-year Plan”, indicating Guangdong province’s marine economy development ambition.

Figure 20: Keppel Cove Project

Source: Keppel Land
The Woodland Project

Sun Hung Kai’s “The Woodland” project is a renowned high-end residential development located in the Eastern part of Zhongshan. The project is being developed in phases and comprises more than five million square feet of gross floor area, with more than 1,600 units already completed\(^2\). The latest phase, phase 4, offers unit layouts from 1 to 5 bedrooms ranging from 75 sqm to 382 sqm.

\(^2\) Sun Hung Kai Properties Limited Annual Report 2015/16
Century Bridge Capital Project
In May 2014, Century Bridge Capital announced a joint venture investment in a residential development project in Zhongshan alongside a local partner, Dongfu Real Estate Development. The project, located in Shiqi district, comprises a total of 59,600 sqm of above ground buildable area, the majority of which is residential space. The investment is in line with Century Bridge Capital’s strategy to invest in middle-income housing markets in key tier 2 and tier 3 cities throughout China\textsuperscript{21}.

2.5. Zhongshan Residential Market Analysis

Figure 23: Zhongshan Residential Market Sales Volume and Average Sales Price Trend

Zhongshan’s residential market has seen significant growth in sales volume between 2010 and 2015 with average annual sales volume rising from 5.87 million sqm in 2010 to 10.19 million sqm in 2015, demonstrating a CAGR of 12% during the period. A particularly active residential market was witnessed in 2015 as evidenced by a year-on-year increase of 42.0% in transaction volume.

Average residential sales price has been relatively stable during the same period with a CAGR of 1.8% between 2010 and 2015. The downtrend in average residential sales price witnessed in 2012 is in part attributed to a temporary residential sales price ceiling imposed by the local government in an effort to control growth in housing prices.

According to data from January to July in 2016, residential transaction volume reached approximately 7.0 million square meters, an increase of 39% compared with the data during the same period in 2015. The average selling price has increased 17%, from RMB 5,712 per sqm in 2015 to RMB 6,682 per sqm in 2016.

Strong demand for residential properties in Zhongshan has been primarily driven by the following factors:

1. Upgrade Demand: with increasing income levels and the growth of the middle class, the demand for improved living conditions has been evident in Zhongshan, as it is in many of China’s cities. Improved purchasing power has therefore led to increased demand for newly constructed residential units in the city.

2. The Central Government’s aim to facilitate residential sales outside of 1st tier cities: since the 2nd half of 2015, the Chinese government launched a series of policies to loosen previous restrictions and to encourage residential sales in China’s lower tier cities. Key policies and
actions include a lower down payment requirement for second home buyers and more attractive home loan interest rates.

3. Spillover demand from Shenzhen: an increasing number of people who work in Shenzhen are purchasing apartments in Zhongshan due to the housing price spike in Shenzhen in 2015. In March 2016, Shenzhen government implemented a few more policies to slow down price increase and drive demand to nearby cities. These policies include: (1) tighten household purchase restriction and increase the minimum requirements of local tax payment/social security from one year to three years; (2) First-time home buyer’s definition is changed from no outstanding mortgages at present no matter whether the buyer owns properties to no outstanding mortgages within 2 years and not owning properties; (3) Second-time home buyer’s definition is changed from having one outstanding mortgage within 2 years when applying for a current mortgage to having a mortgage record within 2 years; (4) Minimum down payment requirements for a second home is 40% and 30% for the first home. The construction of Shenzhen-Zhongshan Bridge is expected to continue to support this trend going forward. It is noted that Shenzhen residents are allowed to use their government backed housing fund to purchase apartments in Zhongshan.

The ongoing development and modernization of Zhongshan’s residential market has also indirectly impacted the city’s retail market. Such impacts include influencing consumer behavior away from traditional retail formats including local markets and street front shops to more organized retail formats such as shopping malls and department stores. In some cases this trend is linked to consumers being drawn away from older neighborhoods to more newly developed areas of the city where these more organized retail formats are more prevalent.

Supplemental demand for retail is also being created as more buyers from outside of Zhongshan move to the city in search of more reasonable residential prices and a more desirable living environment.
3. CHINESE RETAIL MARKET OVERVIEW

3.1. Retail Format

Over the past ten years the range of retail formats in China has become more diverse, including department store, specialty store, hypermarket, supermarket and convenience store. Shopping malls have been increasingly favored by real estate developers. The Asia-pacific Shopping Center Classification by ICSC defines these retail formats as below.

A shopping mall is a group of retail and other commercial establishments that is planned, developed and managed as a single property, comprising commercial multi-branded rental units and common areas. In China, the typical scale for shopping malls is between 20,000 and 200,000 sqm of GFA. The NLA of a shopping mall is typically 50%-65% of the total GFA, but this can vary across geographies and center types.

A department store is typically centrally operated and managed with 90% of space under a centralized payment system, and less than 10% of space subleased to tenants other than the department store operator. In China, typical department stores range between 20,000 sqm and 50,000 sqm of GFA. Department stores in China can either be stand-alone buildings or serve as anchor tenants in a larger shopping mall. The NLA of a department store is typically 60%-75% of the total GFA, but this can vary across geographies and department store operators.

The hypermarket format typically focuses on lower-order retailing and day-to-day shopping needs. At least 20% of floorspace or NLA would be dedicated to food & groceries. Comparatively, the supermarket format has smaller size, of which 80% of floorspace or NLA is dedicated to a wide range of food & groceries.

In 2002, department stores accounted for 5.7% of the total number of retail outlets. However, this had declined to 2.3% by 2014 as the sector’s market share has gradually been chipped away by convenience stores, discount stores, hypermarkets and warehouse clubs. The number of shopping malls, on the other hand, has been steadily increasing reaching an estimated 4,000 by 2015\(^\text{22}\), and is expected increase to approximately 10,500 by 2025\(^\text{23}\).

3.2. Key Retail Players & Competitors

3.2.1. Hypermarket, Supermarket, and Home Appliance

Hypermarket and supermarket formats have been led by international retailers including Wal-mart, Carrefour, RT-mart, Metro and Tesco. Carrefour is a leading global retailer with 12,296 stores in 35 countries, recording sales of EUR 104.4 billion in 2015\(^\text{24}\). Local operators such as Lianhua, Yonghui and Nonggongshang also have broad footprint across China. The figure below presents top 10 operators in China by 2015 sales revenue.

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22 Reported by China Chain Store and Franchise Association (CCFA)
23 Forecasted by Chinese Shopping Mall Information Centre
24 Carrefour 2015 Annual Report
Many hypermarket and supermarket operators have experienced challenging market conditions in China in recent years partly due to fierce competition from online peers and relatively high operating costs. Some operators have eased back on their pace of expansion or even closed select non-performing stores. For example, local operator Renrenle closed 18 stores in 2014 with a total loss of approximately RMB 84.4 million. Likewise, the number of China Resources Vanguard stores fell by 730 in mainland China between 2014 and 2015 as well.

Some operators have launched online platforms in an attempt to mitigate the impacts of online competitors. For example, Wal-mart launched the online platform Sam’s Club (www.samsclub.com) at the end of 2010, and in October 2012 increased its shareholdings in YHD (www.yhd.com), one of leading online retailers in China, to approximately 51%. RT-mart launched Feiniu (www.feiniu.com) in December 2013 and began cooperating with Uitox, an e-commerce service provider. Besides online storefronts, some retailers are also trying to integrate their online and offline channels. For example, Auchan launched “Auchan Drive” in June 2014 that enables customers to place orders online and pick up products at physical stores. Some hypermarket/supermarket players such as Yonghui are also tapping into the mobile commerce market.

Home appliance and electronics retailers also play a significant role in China’s retail market. Gome and Suning are the top two home appliance retailers in China with 1,932 and 1,577 stores respectively as of 2015. The retail sales of these two retailers measured approximately RMB 153.7 billion and RMB 158.6 billion respectively as of 2015. Both of these retailers have also been seeking opportunities to mitigate the impacts of the e-commerce trend. For example in

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26 Company website
27 Chain Store and Franchise Association
August 2015 Suning announced a strategic collaboration with Alibaba which is expected to further integrate online and offline retail.

3.2.2. Department Store

Many department stores in China have been struggling in recent years. Not only do they face fierce competition from shopping malls, specialty stores and online retailers, but they are also significantly impacted by the government’s austerity measures given that part of their business will rely on the purchase of gift cards.

Most department stores in China are operated under a concessionary-type business model. Designated store areas are leased to individual retailers, or concessionaires, who will typically pay rental based on a percentage of sales. The table below shows the top 10 department stores by sales in 2015 from China Chain Store and Franchise Association (CCFA).

In light of the challenges posed, CBRE has observed that a number of department stores are attempting to evolve by exploring direct sales, launching private labels, enhancing in-store experience, and building synergies across sales channels.

Figure 25: The Top 10 Department Store Operators by Sales, 2015

<table>
<thead>
<tr>
<th>Rank</th>
<th>Enterprise</th>
<th>Place of Origin</th>
<th>Sales in 2015 (RMB Million)</th>
<th>Y-o-Y Growth (%)</th>
<th>Number of Stores</th>
<th>Y-o-Y Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shanghai Bailian Group Co., Ltd*</td>
<td>Shanghai</td>
<td>59,436.00</td>
<td>-0.7%</td>
<td>40</td>
<td>0.0%</td>
</tr>
<tr>
<td>2</td>
<td>Changchun Eurasia Group Co., Ltd</td>
<td>Jilin</td>
<td>33,457.43</td>
<td>12.4%</td>
<td>34</td>
<td>9.7%</td>
</tr>
<tr>
<td>3</td>
<td>Yinzuo Group Co., Ltd</td>
<td>Shandong</td>
<td>22,977.59</td>
<td>-0.9%</td>
<td>73</td>
<td>1.4%</td>
</tr>
<tr>
<td>4</td>
<td>Dalian Dashang Group Co., Ltd*</td>
<td>Dalian</td>
<td>21,451.32</td>
<td>-5.2%</td>
<td>92</td>
<td>12.2%</td>
</tr>
<tr>
<td>5</td>
<td>Yantai Zhenhua Department Store Co., Ltd</td>
<td>Shandong</td>
<td>21,262.32</td>
<td>4.0%</td>
<td>34</td>
<td>3.0%</td>
</tr>
<tr>
<td>6</td>
<td>Wuhan Wushang Group Co., Ltd</td>
<td>Hubei</td>
<td>20,906.98</td>
<td>5.8%</td>
<td>11</td>
<td>10.0%</td>
</tr>
<tr>
<td>7</td>
<td>Beijing Wangfujing Department Store (Group) Co., Ltd</td>
<td>Beijing</td>
<td>20,866.00</td>
<td>-3.7%</td>
<td>31</td>
<td>10.7%</td>
</tr>
<tr>
<td>8</td>
<td>Changqing Department Store Co., Ltd</td>
<td>Changqing</td>
<td>19,887.30</td>
<td>-5.3%</td>
<td>56</td>
<td>3.7%</td>
</tr>
<tr>
<td>9</td>
<td>Intime Retail (Group) Co., Ltd</td>
<td>Zhejiang</td>
<td>18,649.46</td>
<td>1.8%</td>
<td>45</td>
<td>2.3%</td>
</tr>
<tr>
<td>10</td>
<td>Rainbow Department Store Co., Ltd</td>
<td>Guangdong</td>
<td>18,128.46</td>
<td>6.2%</td>
<td>65</td>
<td>-3.0%</td>
</tr>
</tbody>
</table>

*Estimation
Source: China Chain Store and Franchise Association

3.2.3. Shopping Mall

Shopping malls continue to be among the most popular shopping destinations. This retail format is especially favored by real estate developers in recent years because it is able to provide more diversified trade mix and recreational services allowing for better shopping experiences. According to CBRE Research, China is the most active market in the world in terms of shopping mall development with a total of 6.0 million sqa completed during 2015.

The table below provides basic information of key shopping mall players with projects across China.

28 “Global Retail ViewPoint - Shopping Center Development April 2016”, CBRE Research
<table>
<thead>
<tr>
<th>Major Players</th>
<th>Place of Origin</th>
<th>Number of Malls Opened</th>
<th>Footprint in China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wanda Commercial Properties*</td>
<td>Dalian</td>
<td>147</td>
<td>26 Provinces</td>
</tr>
<tr>
<td>CapitaMalls Asia (China)</td>
<td>Singapore</td>
<td>63</td>
<td>37 cities</td>
</tr>
<tr>
<td>Bailian Group Co., Ltd***</td>
<td>Shanghai</td>
<td>14</td>
<td>3 cities</td>
</tr>
<tr>
<td>Yinli Group****</td>
<td>Shenzhen</td>
<td>30</td>
<td>14 cities</td>
</tr>
<tr>
<td>China Resources Land Ltd.***</td>
<td>Guangdong</td>
<td>18</td>
<td>12 cities</td>
</tr>
<tr>
<td>Shui On Land Ltd.***</td>
<td>Hong Kong</td>
<td>7</td>
<td>4 cities</td>
</tr>
<tr>
<td>Hong Lung Properties Ltd</td>
<td>Hong Kong</td>
<td>8</td>
<td>7 cities</td>
</tr>
<tr>
<td>Sun Hung Kei Properties Ltd.**</td>
<td>Hong Kong</td>
<td>6</td>
<td>4 cities</td>
</tr>
<tr>
<td>Swire Properties Ltd.***</td>
<td>UK</td>
<td>5</td>
<td>3 cities</td>
</tr>
</tbody>
</table>

* As of June 2016  
** As of 30th June 2014  
*** As of 31th December 2015  
**** Formerly known as SCP Group

Source: Various Company Website, CBRE

Wanda Commercial Properties, owned by Wanda Group, was established in 2002 in Dalian. In September 2014, Wanda Commercial Properties filed a listing application with the Hong Kong Stock Exchange. As of August 2016, the company had 147 shopping malls across China which are branded under the name Wanda Plaza. Wanda Group also has a significant amount of properties currently under construction, indicating their intentions to continue to expand their footprint across China. Wanda Commercial Properties privatization has recently been approved by its Hong Kong investors.

Listed on the Hong Kong Stock Exchange, Bailian Group Co., Ltd (Bailian) is a state-owned enterprise based in Shanghai. As of 31st December 2015, Bailian had 14 shopping malls in China, of which 12 are located in Shanghai. Besides shopping malls, the company also operates department stores, supermarkets and outlets.

Yinli Group (formerly known as SCP Group) is originated from Shenzhen and now owns and manages more than 30 shopping malls including the “In City” brand, with a total GFA of more than 3 million square meters. Its footprint covers the Pearl River Delta, the Yangtze River Delta and the Bohai Economic Rim. Yinli Group also benefits from in-depth cooperation with a number of world-class commercial and financial partners such as Blackstone, ICBC International, and Wal-Mart.

China Resources Land Ltd. (CR Land), owned by China Resources Group, develops and manages residential and commercial properties in China. As of 31st December 2015, CR Land had 18 shopping malls in operation in China, including 11 Mixc shopping malls and 7 Hi5/Mixc One shopping centres (previously known as Rainbow City Shopping Centre). Mixc shopping malls target mid-to-high-end customers, while Hi5/Mixc One shopping centres mainly target the mass

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30 [2015Bailian Group Annual Report](http://www.scpgroup.com/understanding.html)
market. In future, the Group will try to enhance its shopping mall operations by adjusting the development schedule of pipeline projects and also by actively exploring tenant mix adjustments. 32 Representative foreign developers are mostly from Hong Kong and Singapore, including CapitaMalls Asia, Hang Lung Properties, Shui On Land, Sun Hung Kai Properties and Swire Properties.

3.2.4. Convenience Stores

The development of convenience stores in China has increasing momentum. Most leading players in China’s convenience store sector are regionally based, and there is no clear national leader at present. For example, Meiyijia is the market leader in Guangdong Province, Hongqi is the market leader in Sichuan Province, while the market in Chongqing, Beijing and Shanghai is more fragmented.

According to China Chain Store and Franchise Association (CCFA), the top 10 convenience operators by number of stores are domestic operators including Easy Joy (by Sinopec Group), uSmile (by PetroChina Co., Ltd), Meiyijia, Tianfu (by Guangdong Tianfu Chain Business Co., Ltd), Kedi and Alldays (by Nonggongshang Group). Famous international convenience store operators which have entered the China market include FamilyMart (from Japan), 7-Eleven (from USA), and Lawson (from Japan).

3.2.5. Specialty Stores

The demand for specialty retail stores is primarily being met by domestic and international fast fashion brands, digital product retailers and home goods retailers. As a relatively new retail format, special retail stores are expanding aggressively, mostly driven by the rapid expansion of fast fashion brands. It is noted that specialty retail stores may exist in street front retail buildings or within shopping malls.

In 2002, Uniqlo (from Japan) opened its first store in Shanghai signifying a new era of international fast fashion brands’ development in China. Since then, international fast fashion has expanded aggressively over the past 10 years. Other representative international fast fashion brands include MUJI (from Japan), Zara (from Spain), H&M (from Sweden), C&A (from the Netherlands), and Forever 21 (from USA). A number of new entrants entered China in 2014, including NewLook from UK in February 2014, Old Navy from USA in March 2014, and Abercrombie & Fitch from USA in April 2014. It is noted that they all chose Shanghai for their initial launch.

The influx of overseas fast fashion brands to China has put significant competitive pressure on local players such as Meters/bonwe and Yishion. This is causing local players to re think their strategy and in some cases consolidate their retail footprint. For example, according to industry sources Meters/bonwe reportedly closed approximately 800 stores in 2014.33

32 China Resource Land Ltd. 2015 Annual Results Review
3.3. Demand Drivers

In general, retail space demand in China is being driven primarily by three factors:

1) Increasing Levels of Disposable Income

Since China’s entry into the WTO, the retail sector in China developed rapidly along with the rising disposable income of local residents. Between 2008 and 2015, disposable income per capita grew at a CAGR of 10.2%, while the annual per capita consumption expenditure of urban households grew at a CAGR of 9.6%. Accordingly, retail sales grew at a CAGR of 14.8%[^34] during the same period.

2) Changing Retail Formats

The shopping mall is now becoming the dominate retail format in many cities as consumer preferences become more sophisticated, and the overall shopping experience is becoming more important. An increasing amount of consumers treat shopping as a form of entertainment for the entire family rather than just a necessity. Nowadays, a popular strategy is to integrate shopping, entertainment, and F&B in order to extend the length of consumers’ stay and encourage spending. The shopping mall format usually provides wider selections of goods and services, as well as more comfortable shopping environment.

3) Emergence of Regional/Suburban Shopping Malls

In recent years, decentralization and suburbanization has become a phenomenon in China as land in city center areas is becoming increasingly limited. As a result, there has been a growing trend of encouraging the development of town centers in decentralized regions. This has generated demand for regional and suburban shopping malls.

In addition to the above demand drivers, it is noted that the retail sector has seasonality considerations. In China, notable extended holiday periods include Spring Festival, Golden Week and Mid-Autumn Festival. During these long holiday periods, it is not uncommon for retail sales to increase substantially.

3.4. Retail Floorspace Per Capita

Retail floorspace per capita in China was estimated to be approximately 1.14 sqm NLA in 2013, which was basically in line with Hong Kong and Singapore but still largely lagging behind developed countries such as USA and Australia.

Moreover, according to CBRE’s database of 17 major first and second tier cities in China, prime retail space per capita measured 0.17 sqm on an NLA basis as of Q2 2016, while that of Zhongshan measured 0.28 sqm. This suggests that a significant proportion of retail space is located in suburban areas and is relatively old, inefficient and of low quality. Accordingly, there is significant room for further development of modern retail facilities in the near term, particularly in lower-tier cities.

[^34]: From NBS, CREIS
3.5. Key Cities & Growth Areas for Retail

According to CBRE’s Global Retail ViewPoint - Shopping Center Development April 2016, China remained the most active market in the world with a total over 6.0 million sqm of shopping center floorspace completed during 2015. In the 12 months, 56.6% of all development completions were in China with Chinese cities accounting for 8 of the top 10 most active cities for development completions.

Focus of retail development is now shifting away from the first tier cities of Shanghai, Beijing, Shenzhen, and Guangzhou, to fast-growing secondary cities with high concentrations of population and relatively high purchasing power.

Wuhan saw the largest volume of shopping center space delivered to market in 2015 with just under 800,000 sqm of space in 6 projects. Wuhan together with Dalian and Chongqing – the second and third in the list – contributed about 37% of the new completions in China in 2015.
The shift of retail development is occurring for a number of reasons on both the supply side and the demand side. A key supply side factor is increasing saturation of both mall space and retailers in the first tier cities. Moreover, the cost basis of operating in those large cities is growing, particularly with respect to land and labor. There are also various compelling demand side factors, including:

1) Rising incomes in the secondary cities, particularly the provincial capitals, make mass market operations profitable immediately. Many of these cities are undersupplied with quality retail which is increasingly demanded by more sophisticated consumers.

2) Increasing urbanization and technological advances is facilitating a variety of advertising channels allowing retailers to stimulate demand.

3) Improvements in infrastructure, including metro systems, highways, and high speed rail are making it easier for consumers to reach retail destinations.

4) The emergence of city clusters which link multiple cities economically and logistically is further stimulating population flows into the lower tier cities surrounding first tier cities. Key cities within China’s major city clusters are shown in the figure below.
3.6. E-Commerce

3.6.1. Online Retail Sales

The increasing use of the internet in China and the rapid development of e-commerce platforms such as Alibaba and JD.com (Jingdong) have resulted in the emergence of online shopping as an important part of the retail market. According to iResearch, total online retail sales in 2015 totaled RMB 3,800 billion, increasing at a CAGR of 52.5% from 2010, a growth rate well in excess of that of overall domestic retail sales. Online shopping as a percentage of total domestic retail sales has also been increasing, up from 2.9% in 2010 to 12.6% in 2015. iResearch predicts that online retail sales will increase by a CAGR of 25.4% in the following three years and reach RMB 7,500 billion in 2018.

It is noted that mobile and social commerce continue to gain momentum. According to a CBRE Asia Pacific Consumer Survey done in June 2015, over 45% of consumers in China purchase via
smartphone\textsuperscript{35}. Alibaba Group, the largest e-commerce operator in China, saw the mobile Gross Merchandise Value (GMV) from its China retail market double Y-o-Y in FY2016\textsuperscript{36}.

According to iResearch, total retail sales transacted through mobile device reached RMB 2,100 billion in 2015, increasing at a CAGR of 290.76% from 2010, much higher than the growth rate of total online retail sales. iResearch predicts that mobile retail sales can reach RMB 5,500 billion in 2018. In 2015, approximately 55.5% of online retail sales were transacted through mobile device, compared to 0.5% in 2010. According to CBRE Asia Pacific Consumer Survey in June 2015, Chinese consumers are expected to use smartphones for online shopping more frequently over the next two years. iResearch forecasts 73.8% of online retail sales will be conducted on mobile devices by 2018.

Figure 30: Mobile Retail Sales, PC Retail Sales and Online Shopping as percentage of Total Retail Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Mobile Retail Sales</th>
<th>PC Retail Sales</th>
<th>as % of Total Retail Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>4.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>5.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>8.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>10.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>12.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016F</td>
<td>15.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017F</td>
<td>16.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018F</td>
<td>18.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: iResearch, National Bureau of Statistics, Oxford Economics, CBRE

3.6.2. B2C vs. C2C

Based on iResearch data, total sales from the business-to-consumer (B2C) sector reached RMB 2,000 billion in 2015, increasing by 56.6% Y-o-Y, a growth rate much faster than that of consumer-to-consumer (C2C) sales market (19.5% Y-o-Y growth in 2015). Approximately 51.9% of total online sales were from the B2C market. B2C is expected to be the main driver of online shopping going forward.

\textsuperscript{35}“Asia Pacific Consumer Survey – How We Like to Shop Online”, CBRE Global Research, June 2015

\textsuperscript{36}Alibaba Group Holding Ltd (March 2016) – Annual Report for Fiscal Year 2016
Alibaba Group’s subsidiaries (i.e. Taobao and Tmall) dominate the B2C and B2B market. Other big names such as JD, Yihaodian, Amazon China, Dangdang, Suning, and VANCL also play important role in online shopping market. Recently, these companies have also started to compete in 3rd and 4th tier cities. Within B2C sector, about 58% of sales were from Tmall, 23% from JD, while the rest were almost evenly from online retailers including Suning, VIP, Guomei Online and Yihaodian, according to iResearch.
3.6.3. Omni-Channel

China’s retail market is undergoing fundamental change. Consumers are becoming more disconcerting and highly connected. Consumers are using a variety of channels to make purchases. These include bricks-and-mortar stores, e-commerce and mobile apps. According to CBRE’s Asia Pacific Consumer Survey in June 2015, two thirds of respondents check information or complete purchases both on and offline, a trend which points to a need for retailers and landlords to integrate their online and offline platforms.

Some landlords view the rapid growth of e-commerce as a threat to their business. However, a well-planned omni-channel strategy can create synergy between both online and offline platforms to increase sales. A large number of traditional retailers are notably seeking to integrate their offline and online operations, while some are exploring various aspects of omni-channel strategies, such as partnering with internet companies like Alibaba and Tencent to set up stores on these giant online platforms or utilize their mobile payment schemes. Moreover, it is noted that some e-commerce players are also opening offline retail stores in order to build a better brand image. The table below shows some recent omni-channel initiatives by selected retailers in China.

<table>
<thead>
<tr>
<th>Retailer</th>
<th>Date</th>
<th>O2O Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dangdang</td>
<td>June 2016</td>
<td>Opened its first offline bookstore in Changsha, Hunan. Dangdang plans to open 1,000 offline book stores in the next 3 years</td>
</tr>
<tr>
<td>Walmart</td>
<td>March 2016</td>
<td>Launched “Global e-shop” in its App to provide cross-border trade service</td>
</tr>
<tr>
<td>Bubugao</td>
<td>April 2015</td>
<td>Launched its cross-border e-commerce platform “Yunhou Global” to help customer shop overseas product online</td>
</tr>
<tr>
<td>Jumeiyoupin</td>
<td>March 2015</td>
<td>Opened its second offline retail store in Beijing</td>
</tr>
<tr>
<td>Rainbow Department Store</td>
<td>July 2014</td>
<td>Launched the OVS “O2O store” to facilitate seamless shopping services by providing more convenient pick-up points for online orders</td>
</tr>
<tr>
<td>Sfbest.com (online grocery store operated by SF express)</td>
<td>June 2014</td>
<td>Opened omni-channel stores nationally, called “Heike”. Consumers can pick up products ordered via Sfbest.com in the stores, and purchases by scanning the codes on in-store virtual walls</td>
</tr>
<tr>
<td>Auchan Hypermarket</td>
<td>June 2014</td>
<td>Launched “Auchan Drive” services so customers can pick up online orders in the car park next to the Auchan store</td>
</tr>
<tr>
<td>Shopin Discount Store</td>
<td>April 2014</td>
<td>Partnered with WeChat to offer mobile payment services</td>
</tr>
<tr>
<td>Intime Department Store</td>
<td>March 2014</td>
<td>Partnered with Alibaba to launch Yintaibao, a virtual VIP pre-paid card that can be used on both its website and physical stores</td>
</tr>
</tbody>
</table>

Source: Company Website, Fung Business Intelligence Centre, Xinhua, Time Weekly, PR Newswire, CBRE

3.7. Retail Mall Development Cycle

The development cycle for retail malls in China, as defined by groundbreaking to mall opening, depends on a number of factors including developer experience, scale of the mall, and ability to lease the mall to an acceptable occupancy level prior to opening.

The construction schedule is generally more controllable, particularly by experienced developers, whereas the time required for leasing is subject to higher levels of uncertainty including market conditions.

For experienced retail developers and operators, the development cycle can typically be controlled within 3 years for a retail mall of between 50,000 and 100,000 sqm.
3.8. Future Retail Development Trends

Future retail development trends are expected to be driven by a wide variety of macro-level factors including demographic trends, the emergence of city clusters, and the impacts of e-commerce. In addition, micro-factors at the local level can also be expected to influence retail development trends at the city or district level going forward. A summary of key future retail development trends follows below.

1) Mixed-use Commercial Developments

The government’s control on residential real estate has increased the number of mixed use development projects which may comprise both commercial and residential (or quasi-residential) components. This may assist in discouraging purely speculative development and investment which was historically more prevalent in the residential sector. Accordingly, in some cases the government has been bundling up many land sites into larger parcels and land sites are now often earmarked for mixed use. From a real estate developer’s perspective, risk can be diversified across different sectors, given that pure residential developments are highly susceptible to residential market fluctuations and policies directed at the residential sector.

2) Shopping Mall Format

The shopping mall format is expected to be the dominate retail format going forward as it allows for a more pleasant shopping and consumption experience for consumers. In addition to a more pleasant shopping experience shopping malls are well positioned to provide a more diverse trade mix including significant allocations to entertainment and F&B retailers. This combination is being employed in an attempt to partially mitigate the impacts of e-commerce as shopping mall operators can provide experiences which cannot be purchased online.

3) Development Scale

The scale of future retail developments will need to be “right sized” in light of changing demographic and consumption trends and in consideration of the increasingly competitive landscape. Relatively small retail developments with narrow trade mixes can be expected to have a larger probability of success in more established retail areas with established footfall. Conversely, decentralized locations can be expected to support larger scales as they will need to provide a more diverse trade mix in order to attract and retain consumers.

4) Sustainable Development

China’s worsening air pollution has sparked increasing concerns on environmental protection and green issues in general. An increasing number of retailers have integrated sustainability initiatives into their business strategies. These initiatives may include the use of highly efficient air filtration systems and the use energy efficient building systems. This may also include the use of Building Information Modelling (BIM), a type of software that facilitates communication between parties to increase construction efficiency and to reduce waste over the duration of the building’s lifecycle.
3.9. Barriers to Entry for Foreign Investors

A number of significant restrictions were imposed on foreign investment in the Chinese real estate starting from 2006, including:

- Circular 171 released in 2006: comprised a range of measures to control the flow of foreign capital including minimum capital requirements and borrowings.

- Circular 50 and Circular 130 released in 2007: affected a number of critical areas, including project approval, the requirements necessary to form a project company and project financing, with the aim to further discourage speculative foreign investment in real estate sector. Circular 50 also increased the time taken to obtain the required approvals and implement investment.

- Circular 189 released in 2010: imposed that foreign individuals can only purchase one real property for residential use whereas foreign enterprises are only allowed to purchase non-residential real properties for their own office use.

- The Catalogue of Guidance on Foreign Investment Industries (“the Catalogue”) effective on 30th January 2012: continuing to restrict foreign investment in the development of land, and in the construction and operation of high-end hotels, high-class office buildings and international exhibition centers, and in secondary real estate market such real estate agency and brokerage firms. The construction and operation of villas are prohibited. Only joint venture operations are allowed for development of land.

Foreign investors’ activity in the Chinese real estate market was therefore dampened by these government restrictions and competition from domestic capital. However, more recently a change is underway. Restrictions in China shadow banking and other domestic sources of capital, together with selective reduction of barriers to foreign investment in some jurisdictions, are leading international private equity firms and other cross-border investors to take another look at China.

Notably, the Catalogue of Guidance on Foreign Investment Industries (“the Catalogue”) released in March 2015 in replace of 2012 version has removed all the restriction terms imposed on foreign investment in real estate sector, including: the development of land, construction and operations of high-end hotels, high-class office buildings and international exhibition centers, secondary real estate market such real estate agency and brokerage firms.

However, structuring and completing real estate investments in China continues to be burdensome for foreign investors. In China, land use ownership, the real estate development process, and foreign investment in real estate are all subject to multiple layers of governmental laws, regulations, controls, and approvals, often at several levels including local, provincial, and national levels. China’s legal system is still evolving and lagging behind its economic growth and its integration into the international markets. As a result, laws, regulations, and controls are changing frequently. These changes sometimes have dramatic impacts on how foreign investors may structure their real estate transactions. Many of China’s laws, rules, and regulations are broadly worded and afford substantial implementation discretion.

In summary, while foreign investment in China is generally much easier than a decade or so ago, significant obstacles and lack of transparency still exist in many cases. As such, new foreign entrants to the China market will typically face a steep learning curve and will often elect to engage with local partners.
3.10. General Outlook & Potential Opportunities

China’s retail market has been underpinned by solid fundamentals including rising income levels and increasing consumption expenditures, a trend that is expected to continue going forward. Over the next five years through 2020 disposable income per capita and total consumer expenditures are expected to increase by 5.9% and 6.8% per annum\(^\text{37}\) on average respectively.

Growth in the retail market in general is also expected to be supported by various government policies encouraging consumerism as the central government transitions from an investment-driven economy to a more domestic consumption-driven economy.

Notwithstanding the positive future outlook for the retail market in general, the market for luxury goods is expected to face significant headwinds as the government has been implementing various austerity measures designed at reducing extravagant spending by government employees. “Affordable luxury” brands, however, have been witnessed expanding in the China market in an attempt to capitalize on local market trends and preferences. Examples of affordable luxury brands include Coach, Michael Kors, Kate Spade and Tory Burch.

Fast fashion brands such as H&M, Zara, and Uniqlo have also been expanding, both in first tier and lower tier cities as their brands become more known throughout the country. China’s urbanization process and emergence of city clusters have also provided opportunities for such brands to expand their footprint in the China market.

As previously mentioned, the impacts of e-commerce are leading to reactions by retail developers and operators to adjust their strategies. In this regard, retail property trade mix is expected to transition towards a higher proportion of entertainment, F&B, and experienced-based retail that cannot be replicated through online purchases. Formulating an effective omni-channel strategy will also be essential for retailers and landlords to remain competitive in the digital age.

\(^{37}\) Forecast by Oxford Economics
4. ZHONGSHAN RETAIL MARKET OVERVIEW

4.1. Introduction

Specialty retail stores and shopping streets were the predominant retail types in Zhongshan before the 1990's. Well-known shopping destinations include Sunwenxi Shopping Street in Shiqi District, and the lighting facility market in Guzhen Town.

Beginning in mid-1990's, department stores emerged to meet consumer requirements for a broader product selection. The representative department stores include Yihua Department Store, which opened for business in 1995 and is still considered as the most popular department store in Zhongshan in terms of scale and brand positioning.

The market saw a trend of transitioning towards a multi-trade mix in the 2000's with the opening of shopping malls that combine the traditional retail function with dining, entertainment and lifestyle service functions. Shopping malls such as Shiqi Metro Mall and Holiday Plaza were the pioneers in this retail format and triggered the emergence of major retail areas such as Dasin Area and Holiday Plaza Area. In addition, a number of mixed-use properties were launched in late 2000's, offering a modern shopping environment and creating an integrated business atmosphere with high-quality office space, hotels, along with integrated residential communities.

Retail positioning in Zhongshan ranges from mass market up to the mid-upper end of the market. High-end and luxury positioned retail is not provided in Zhongshan given the consumption characteristics of the local residents and the city’s relative close proximity to Hong Kong, Macau, Guangzhou and Shenzhen which can offer luxury brands to those target consumers.

Given the characteristics of the four retail properties comprising Dasin Retail Trust, it is noted that this section will focus primarily on good grade retail properties, defined as mid- to mid-upper positioned shopping malls and department stores generally comprising above 30,000 sqm and 10,000 sqm of retail space respectively. The representative basket of properties covers 12 shopping malls and 4 department stores which are solely owned and operated or have less than 10% area sold strata-title.

4.2. Existing Retail Supply

The total good grade retail stock as of August 2016 is estimated at approximately 1,280,224 sqm of GFA. The current retail supply is mostly in the format of shopping malls, representing 89% of the total area. The majority of department stores in the basket have maintained their market share by benefiting from the well-recognized brand name or have undergone some level of transformation by diversifying their trade mix to compete with the shopping malls.
As of August 2016, the majority of the retail stock is concentrated in the core urban areas, serving a broader population base, while a smaller proportion of the stock is located in the suburban areas of Xiaolan Town and Guzhen Town. Xiaolan’s proportion of retail stock increased significantly from 15% in Q2 2015 to 27% in August 2016. The increase is mainly attributed to two new shopping malls opened during the period.

The average size of the four department stores is 36,250 sqm, relatively small when compared with the average size of the shopping malls at 94,602 sqm. In addition, most of the department stores were completed before 2010, indicating a transition to the larger shopping mall format which can support a more diverse trade mix.
Figure 35: List of Good Grade Retail Malls and Department Stores in Zhongshan as of August 2016

<table>
<thead>
<tr>
<th>No.</th>
<th>Project Name</th>
<th>Retail GFA (sqm)</th>
<th>Est. NLA (sqm)</th>
<th>Opening Year</th>
<th>Location</th>
<th>Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Holiday Plaza</td>
<td>30,000</td>
<td>21,900</td>
<td>2005</td>
<td>Holiday Plaza Area</td>
<td>Shopping Mall</td>
</tr>
<tr>
<td>2</td>
<td>Central Power Plaza</td>
<td>130,060</td>
<td>78,036</td>
<td>2013</td>
<td>Sunwenxi Area</td>
<td>Shopping Mall</td>
</tr>
<tr>
<td>3</td>
<td>Lihe Plaza</td>
<td>130,000</td>
<td>78,000</td>
<td>2012</td>
<td>Jinhua Area</td>
<td>Shopping Mall</td>
</tr>
<tr>
<td>4</td>
<td>Yihua Department Store</td>
<td>50,000</td>
<td>32,500</td>
<td>1995</td>
<td>Jinhua Area</td>
<td>Department Store</td>
</tr>
<tr>
<td>5</td>
<td>Shunchang Department Store</td>
<td>50,000</td>
<td>30,000</td>
<td>2002</td>
<td>Xiaolan Town</td>
<td>Department Store</td>
</tr>
<tr>
<td>6</td>
<td>118 Mall*</td>
<td>33,537</td>
<td>20,409</td>
<td>2014</td>
<td>Xiaolan Town</td>
<td>Shopping Mall</td>
</tr>
<tr>
<td>7</td>
<td>Joy City</td>
<td>160,000</td>
<td>96,000</td>
<td>2015</td>
<td>West Area</td>
<td>Shopping Mall</td>
</tr>
<tr>
<td>8</td>
<td>Shi Shang Mei Sha Department Store</td>
<td>15,000</td>
<td>9,750</td>
<td>2009</td>
<td>Dasin Area</td>
<td>Department Store</td>
</tr>
<tr>
<td>9</td>
<td>Shiqi Metro Mall**</td>
<td>101,585</td>
<td>86,352</td>
<td>2004</td>
<td>Dasin Area</td>
<td>Shopping Mall</td>
</tr>
<tr>
<td>10</td>
<td>Dasin E-Colour**</td>
<td>25,857</td>
<td>12,638</td>
<td>2015</td>
<td>Dasin Area</td>
<td>Shopping Mall</td>
</tr>
<tr>
<td>11</td>
<td>Ocean Metro Mall**</td>
<td>85,995</td>
<td>66,895</td>
<td>2014</td>
<td>Zimaling Area</td>
<td>Shopping Mall</td>
</tr>
<tr>
<td>12</td>
<td>Xiaolan Metro Mall**</td>
<td>88,235</td>
<td>77,747</td>
<td>2005</td>
<td>Xiaolan Town</td>
<td>Shopping Mall</td>
</tr>
<tr>
<td>13</td>
<td>Gu Zhen Dian**</td>
<td>174,955</td>
<td>147,134</td>
<td>2014</td>
<td>Guzhen Town</td>
<td>Shopping Mall</td>
</tr>
<tr>
<td>14</td>
<td>Longshan Shopping Center</td>
<td>55,000</td>
<td>33,000</td>
<td>2016</td>
<td>Xiaolan Town</td>
<td>Shopping Mall</td>
</tr>
<tr>
<td>15</td>
<td>Parkway Plaza</td>
<td>120,000</td>
<td>67,200</td>
<td>2015</td>
<td>Xiaolan Town</td>
<td>Shopping Mall</td>
</tr>
<tr>
<td>16</td>
<td>AEON</td>
<td>30,000</td>
<td>19,500</td>
<td>2015</td>
<td>West Area</td>
<td>Department Store</td>
</tr>
</tbody>
</table>

Source: Dasin, CBRE

*Note: 118 Mall is also called ‘118 Xiangming Square’

**Note: The NLA is provided by Dasin as at June 2016
4.3. Major Retail Areas

As previously mentioned, the majority of retail stock is concentrated in Zhongshan’s core urban areas as of August 2016. These urban areas can be further categorized as being either mature or emerging areas, depending on the nature of the surrounding area in terms of development status. Properties located in the mature areas will typically have an established consumer base, while the emerging areas can expect further improvements as those areas become more mature. Suburban towns are located at a significant distance from the core urban area and will typically have a captive consumer base drawn from their respective surrounding residents.

The urban areas and suburban towns can be seen on the figure and table below.

Figure 36: Major Retail Areas of Zhongshan

Source: Map data ©2015 Google, CBRE
Figure 37: Summary of Major Retail Areas in Zhongshan

<table>
<thead>
<tr>
<th>Retail Area</th>
<th>Positioning</th>
<th>Characteristic</th>
<th>Representative Retail Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunwenxi Area</td>
<td>Mid- to Mid-Upper</td>
<td>Mature Urban Area</td>
<td>Central Power Plaza</td>
</tr>
<tr>
<td>Jinghua Area</td>
<td>Mid- to Mid-Upper</td>
<td>Mature Urban Area</td>
<td>Yihua Department Store, Lihe Plaza</td>
</tr>
<tr>
<td>Dasin Area</td>
<td>Mid-End</td>
<td>Mature Urban Area</td>
<td>Shiqi Metro Mall, Dasin E-Colour, Shang Mei Sha Department Store</td>
</tr>
<tr>
<td>Holiday Plaza Area</td>
<td>Mid-End</td>
<td>Mature Urban Area</td>
<td>Holiday Plaza</td>
</tr>
<tr>
<td>West Area</td>
<td>Mid-End</td>
<td>Emerging Urban Area</td>
<td>Joy City, AEON</td>
</tr>
<tr>
<td>Zimaling Area</td>
<td>Mid- to Mid-Upper</td>
<td>Emerging Urban Area</td>
<td>Ocean Metro Mall</td>
</tr>
<tr>
<td>Xiaolan Town</td>
<td>Mid to Mid-Upper</td>
<td>Suburban Town</td>
<td>Shunchang Department Store, Xiaolan Metro Mall, 118 Mall, Longshan Shopping Center, Parkway Plaza</td>
</tr>
<tr>
<td>Guzhen Town</td>
<td>Mid-End</td>
<td>Suburban Town</td>
<td>Gu Zhen Dian</td>
</tr>
</tbody>
</table>

Source: CBRE
Mature Urban Areas

Sunwenxi Area, Jinghua Area, Dasin Area and Holiday Plaza Area are four mature retail areas located in the core urban area.

Sunwenxi Area is the oldest retail area, located in the western part of urban area. Since being established in the 1990’s, it is mainly known for its specialty shops and shopping streets, targeting at tourists and residents in the area.

Jinghua Area is located in the southern part of the core urban area. It was formed together with the opening of the first department store in Zhongshan, Yihua Department Store. The mid-upper residential communities as well as the white-collar workers in this area form a strong demand for retail in the area. The area was further upgraded after Lihe Plaza was opened for business in 2012. Lihe Plaza also comprises an office component which contributes a large amount of consumers with considerable purchase power.

Dasin Area is located in the northern part of the core urban area. It was formed following the opening of the first shopping mall in Zhongshan, Shiqi Metro Mall. With a presence of international brands, as well as an integrated shopping environment, this area attracts a broad spectrum of consumers including the younger generations as well as family-focused consumers. The opening of Dasin E-Colour further added to this area, targeting younger generations from the adjacent university and nearby residential communities.

The opening of Holiday Plaza indicated the emergence of Holiday Plaza Area, which is located in the eastern part of the core urban area. The mall brought the area a modern shopping environment and targets nearby residents, white-collar workers, as well as government employees.

<table>
<thead>
<tr>
<th>Retail Area</th>
<th>Name of Store</th>
<th>Retail GFA (sqm)</th>
<th>Est. NLA (sqm)</th>
<th>Positioning</th>
<th>Target Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunwenxi Area</td>
<td>Central Power Plaza</td>
<td>130,060</td>
<td>78,036</td>
<td>Mid to Mid-Upper</td>
<td>Residents, White Collar Workers, Government Staff</td>
</tr>
<tr>
<td>Jinghua Area</td>
<td>Yihua Department Store</td>
<td>50,000</td>
<td>32,500</td>
<td>Mid to Mid-Upper</td>
<td>Residents, White Collar Workers, Government Staff</td>
</tr>
<tr>
<td>Jinghua Area</td>
<td>Lihe Plaza</td>
<td>130,000</td>
<td>78,000</td>
<td>Mid to Mid-Upper</td>
<td>Residents, White Collar Workers, Government Staff</td>
</tr>
<tr>
<td>Dasin Area</td>
<td>Shiqi Metro Mall*</td>
<td>101,585</td>
<td>86,352</td>
<td>Mid-end</td>
<td>Residents, Students, Government Staff</td>
</tr>
<tr>
<td>Dasin Area</td>
<td>Dasin E-Colour*</td>
<td>25,857</td>
<td>12,638</td>
<td>Mid-end</td>
<td>Residents, Students, Government Staff</td>
</tr>
<tr>
<td>Dasin Area</td>
<td>Shi Shang Mei Sha Department Store</td>
<td>15,000</td>
<td>9,750</td>
<td>Mid-end</td>
<td>Residents, Students, Government Staff</td>
</tr>
<tr>
<td>Holiday Plaza Area</td>
<td>Holiday Plaza</td>
<td>30,000</td>
<td>21,900</td>
<td>Mid-end</td>
<td>Residents, White Collar Workers, Government Staff</td>
</tr>
</tbody>
</table>

Source: Dasin, CBRE

*Note: The NLA is provided by Dasin as at June 2016
Emerging Urban Areas

As of August 2016, West Area and Zimaling Area are two relatively new retail areas located in the core urban area.

West Area covers the West District and has numerous mass-market retail properties. Joy City is the first representative mid to mid-upper end positioned property in this area. Completed in 2015, Joy City provided 160,000 sqm of retail space to the market and targets a broad retail catchment area given its scale and positioning. At the end of 2015, AEON opened a new department store in this area. The 30,000 sqm of retail space mainly targets residents living nearby.

Zimaling Area is located in the southeastern part of the core urban area and is currently defined by the recently opened Ocean Metro Mall. Further development in the area can be expected to improve its maturity, and the area has several retail and residential projects currently under construction and planned to be delivered in near future.

<table>
<thead>
<tr>
<th>Retail Area</th>
<th>Name of Store</th>
<th>Retail GFA (sqm)</th>
<th>Est. NLA (sqm)</th>
<th>Positioning</th>
<th>Target Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Area</td>
<td>Joy City</td>
<td>160,000</td>
<td>96,000</td>
<td>Mid-end</td>
<td>Residents</td>
</tr>
<tr>
<td>West Area</td>
<td>AEON</td>
<td>30,000</td>
<td>19,500</td>
<td>Mid-end</td>
<td>Residents</td>
</tr>
<tr>
<td>Zimaling Area</td>
<td>Ocean Metro Mall*</td>
<td>85,995</td>
<td>66,895</td>
<td>Mid to Mid-upper</td>
<td>Residents, Government Staff</td>
</tr>
</tbody>
</table>

Source: Dasin, CBRE
*Note: The NLA is provided by Dasin as at June 2016

Suburban Towns

Xiaolan Town Area and Guzhen Town Area are the two largest suburban towns in terms of resident population. Each town has at least one existing mid to mid-upper positioned retail property and several similar positioned future projects to be delivered in the near future.

<table>
<thead>
<tr>
<th>Retail Area</th>
<th>Name of Store</th>
<th>Retail GFA (sqm)</th>
<th>Est. NLA (sqm)</th>
<th>Positioning</th>
<th>Target Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xiaolan Town Area</td>
<td>Xiaolan Metro Mall*</td>
<td>88,235</td>
<td>77,747</td>
<td>Mid-end</td>
<td>Local Residents</td>
</tr>
<tr>
<td>Xiaolan Town Area</td>
<td>Shunchang Department Store</td>
<td>50,000</td>
<td>30,000</td>
<td>Mid-end</td>
<td>Local Residents</td>
</tr>
<tr>
<td>Xiaolan Town Area</td>
<td>118 Mall*</td>
<td>33,537</td>
<td>20,409</td>
<td>Mid-end</td>
<td>Local Residents</td>
</tr>
<tr>
<td>Xiaolan Town Area</td>
<td>Longshan Shopping Center</td>
<td>55,000</td>
<td>33,000</td>
<td>Mid-end</td>
<td>Local Residents</td>
</tr>
<tr>
<td>Xiaolan Town Area</td>
<td>Parkway Plaza</td>
<td>120,000</td>
<td>67,200</td>
<td>Mid-end to Mid-upper</td>
<td>Local Residents</td>
</tr>
<tr>
<td>Guzhen Town Area</td>
<td>Gu Zhen Dian*</td>
<td>174,955</td>
<td>147,134</td>
<td>Mid-end</td>
<td>Local Residents</td>
</tr>
</tbody>
</table>

Source: Dasin, CBRE
*Note: The NLA is provided by Dasin as at June 2016
4.4. Rental Levels

Rentals in Zhongshan’s retail market vary significantly depending on property location, specific location within the property, type of retailer, and the size of space rented. The rental structure also has a significant impact on individual rental levels.

As is the case for most retail markets in China, there are three general rental structures offered by retail operators in Zhongshan. The first is a fixed monthly rental which is typical fixed base on store size, while the second is a turnover rental calculated as a percentage of sales of the store. The third is a combination of base and turnover rental, whichever is higher. The latter serves to provide a minimum guaranteed rental for turnover-based rental structures.

In general, most department stores use the second and the third rental structures, while shopping malls typically prefer charging fixed rentals. It is noted, however, that there are some shopping malls and department stores showing flexibility in terms of rental structure, depending on the nature of the retailers’ ability to draw consumers to the property.

As of August 2016, the property management fee is usually charged separately, at a range of RMB 30 – 60 per sqm per month. In addition, while some retail properties provide marketing services for tenants within the coverage of the property management fee, some may charge an extra fee for such services. The same is the case for utilities and air conditioning, which is sometimes included in the management fee and sometimes charged separately.

4.4.1. Shopping Malls

Shopping malls in Zhongshan generally employ a fixed rental structure, especially tenants in retail sectors such as fashion, F&B, and entertainment. It is noted however, that some cases have also been seen where shopping malls employ a base rental plus turnover rental structure, particularly for anchor tenants.

For the purpose of comparison, fixed rental levels quoted in this section are estimated achievable rentals for an average store location on the ground floor of approximately 200 sqm for a fashion retailer. Based on this standard, rental levels in Zhongshan’s shopping malls typically vary between RMB 120 to RMB 450 per sqm per month, based on net leasable area (NLA) as of August 2016.

The ground floor rental level in Jinghua Area and Sunwenxi Area is the highest among other retail areas, with a range of RMB 350 - 450 per sqm per month based on the above standard, while ground floor rental levels in Guzhen Town are the lowest, with a range of RMB 70-200 per sqm per month as of August 2016.
4.4.2. Department Stores

Most department stores in Zhongshan employ a turnover rental structure with a guaranteed minimum rental, although some instances have been seen where fixed rental structure is used by department stores.

Turnover rentals in Zhongshan’s department stores vary significantly, mainly depending on the retailer type and ability of the retailer to draw consumers. As of August 2016, well-known anchor tenant brands, which are sought after for their ability to draw consumers, typically pay turnover rentals of less than 10%, while lesser-known fashion brands may pay upwards of 25% or higher in some instances. Jewelry retailers will typically pay a low turnover rent, given their high price points, typically between 3% and 8%, while F&B retailers will typically pay a moderate turnover rent of between 10% and 15% in order to manage their cost structure.

Source: Dasin, CBRE

*Note: The rent for Dasin properties is provided based on information as of June 2016*
4.5. Occupancy Rates

Stabilized occupancy rates in Zhongshan’s retail market are typically between 90% and 100% and are typically reached between one and three years from opening. In general, shopping malls and department stores which are well established and have good brand awareness are found to have a higher occupancy rate than their peers. On the other hand, recently opened properties such as Joy City and Longshan Shopping Center are still undergoing leasing and fit-out stages and have yet to reach their stabilized occupancy level.

It is also noted that in recent years many retail properties in Zhongshan have been undergoing repositioning initiatives in response to changing consumer preferences and the impacts of e-commerce. In general, such properties are seeking a higher proportion of entertainment, F&B, and lifestyle retailers. Such repositioning will typically cause a temporary decrease in occupancy level as old retailers exit and new retailers fit out their space.

Figure 43: Occupancy Rates of Selected Recently Launched Projects in Zhongshan as of August 2016

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Location</th>
<th>Retail GFA (sqm)</th>
<th>Est. NLA (sqm)</th>
<th>Opening Year</th>
<th>Est. Occupancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holiday Plaza</td>
<td>Holiday Plaza Area</td>
<td>30,000</td>
<td>21,900</td>
<td>2005</td>
<td>98%</td>
</tr>
<tr>
<td>Central Power Plaza</td>
<td>Sunwenxi Area</td>
<td>130,060</td>
<td>78,036</td>
<td>2013</td>
<td>85%</td>
</tr>
<tr>
<td>Lihe Plaza</td>
<td>Jinghua Area</td>
<td>130,000</td>
<td>78,000</td>
<td>2012</td>
<td>85%</td>
</tr>
<tr>
<td>Yihua Department Store</td>
<td>Jinghua Area</td>
<td>50,000</td>
<td>32,500</td>
<td>1995</td>
<td>90%</td>
</tr>
<tr>
<td>Shunchang Department Store</td>
<td>Xiaolan Town</td>
<td>50,000</td>
<td>30,000</td>
<td>2002</td>
<td>100%</td>
</tr>
<tr>
<td>118 Mall</td>
<td>Xiaolan Town</td>
<td>33,537</td>
<td>20,409</td>
<td>2014</td>
<td>67%</td>
</tr>
<tr>
<td>Longshan Shopping Center</td>
<td>Xiaolan Town</td>
<td>55,000</td>
<td>33,000</td>
<td>2016</td>
<td>70%</td>
</tr>
<tr>
<td>Parkway Plaza</td>
<td>Xiaolan Town</td>
<td>120,000</td>
<td>67,200</td>
<td>2015</td>
<td>90%</td>
</tr>
<tr>
<td>Joy City</td>
<td>West Area</td>
<td>160,000</td>
<td>96,000</td>
<td>2015</td>
<td>60%</td>
</tr>
<tr>
<td>AEON</td>
<td>West Area</td>
<td>30,000</td>
<td>19,500</td>
<td>2015</td>
<td>80%</td>
</tr>
<tr>
<td>Shi Shang Mei Sha Department Store</td>
<td>Dasin Area</td>
<td>15,000</td>
<td>9,750</td>
<td>2009</td>
<td>95%</td>
</tr>
<tr>
<td>Shiqi Metro Mall*</td>
<td>Dasin Area</td>
<td>101,585</td>
<td>86,352</td>
<td>2004</td>
<td>99%</td>
</tr>
<tr>
<td>Dasin E-Colour*</td>
<td>Dasin Area</td>
<td>25,857</td>
<td>12,638</td>
<td>2015</td>
<td>93%</td>
</tr>
<tr>
<td>Ocean Metro Mall*</td>
<td>Zimaling Area</td>
<td>85,995</td>
<td>66,895</td>
<td>2014</td>
<td>99%</td>
</tr>
<tr>
<td>Xiaolan Metro Mall*</td>
<td>Xiaolan Town</td>
<td>88,235</td>
<td>77,747</td>
<td>2005</td>
<td>100%</td>
</tr>
<tr>
<td>Guzhen Dian</td>
<td>Guzhen Town</td>
<td>174,955</td>
<td>147,134</td>
<td>2014</td>
<td>98%</td>
</tr>
</tbody>
</table>

Source: Dasin, CBRE

*Note: The occupancy rate is provided by Dasin as at June 2016
4.6. Future Supply and Market Outlook

As of August 2016, several projects are under currently in planning stages or under construction and can be expected to be delivered to the market in the upcoming 5 years. Many of these retail properties will form part of larger mixed-use projects and will be of significant scale.

The majority of the future supply is being developed by new players to the local retail market and can be expected to be subject to a learning curve in terms of attracting popular retail brands and attaining the appropriate market positioning. Accordingly, it is possible that the estimated opening time schedules may slip for some of these projects.

Figure 44: Major Future Retail Properties as of August 2016

<table>
<thead>
<tr>
<th>Est. Opening Year</th>
<th>Project Name</th>
<th>Location</th>
<th>Est. Retail GFA (sqm)</th>
<th>Planned Format</th>
<th>Status as of August 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Seaport City Phase 1</td>
<td>Xiaolan Town</td>
<td>90,000</td>
<td>Shopping Mall</td>
<td>Under Construction</td>
</tr>
<tr>
<td>2018</td>
<td>Seaport City Phase 2</td>
<td>Xiaolan Town</td>
<td>30,000</td>
<td>Shopping Mall</td>
<td>Land Cleared</td>
</tr>
<tr>
<td>2018</td>
<td>Lihe Plaza Guzhen Town Branch</td>
<td>Guzhen Town</td>
<td>50,000</td>
<td>Shopping Mall</td>
<td>Under Construction</td>
</tr>
<tr>
<td>2018</td>
<td>Shiqi Dasin Phase 2</td>
<td>Dasin Area</td>
<td>65,821</td>
<td>Shopping Mall</td>
<td>Under Construction</td>
</tr>
<tr>
<td>2018</td>
<td>Perfect Eagle Plaza</td>
<td>Holiday Plaza Area</td>
<td>100,000</td>
<td>Shopping Mall</td>
<td>Under Construction</td>
</tr>
<tr>
<td>N/A</td>
<td>Ligao Plaza</td>
<td>West Area</td>
<td>100,000</td>
<td>Shopping Mall</td>
<td>Under Construction</td>
</tr>
<tr>
<td>2018</td>
<td>Skyline International Plaza</td>
<td>Zimaling Area</td>
<td>50,000</td>
<td>Shopping Mall</td>
<td>Under Construction</td>
</tr>
<tr>
<td>2019</td>
<td>Huafa Plaza</td>
<td>Sunwenxi Area</td>
<td>70,000</td>
<td>Shopping Mall</td>
<td>Land Cleared</td>
</tr>
</tbody>
</table>

Source: CBRE

In general, the retail market of Zhongshan is expected to continue improving, supported by the growth of economy and increasing disposable income levels. The market has shown robust retail sales growth between 2008 and 2015, with a CAGR of 12.3% during the period. The consumption expenditure also increased at mid-single digit CAGR between 2008 and 2015. With increasing levels of disposable income, local residents have begun to show more emphasis on improving lifestyle and quality, which can also be expected to influence the retail market.
The predominant retail format of newer properties being developed in Zhongshan is the shopping mall which provides consumers with a more modern shopping experience on par with what can be found in more advanced cities in China. These newer shopping malls are typically of relatively large scale and able to support a broader trade mix being preferred by consumers, particularly with respect to the F&B, entertainment and lifestyle sectors in light of the impacts of e-commerce.

Likewise, existing shopping malls and department stores can be expected to continue to monitor the performance of retailers and selectively reposition in light of changing consumer preferences and to mitigate the impacts of e-commerce. Given that F&B, entertainment, and lifestyle retailers typically pay a lower rental level as compared with standard retailers, this trend can be expected to limit the average rental growth of some of the retail malls and department stores in Zhongshan going forward. On average, rental growth of between 2% to 3% per annum is expected in the short to medium-term, although it is noted that rental growth can be expected to vary significantly on an individual property basis depending on a number of factors.

For example, more mature properties with established consumer bases and footfall can be expected to be in a better bargaining position with respect to renewing leases, or in seeking new tenants to replace outgoing ones. Such properties can be expected to outperform the average market, with rental growth rates of up to 5% or more per annum possible. Conversely, poorly performing properties may need to lower rentals in order to maintain their tenant base or attract new retail tenants to their properties.

Additionally, newly opened properties which offered competitive rentals for their initial leases may be in a position to demand higher rental levels on their second round of leases, provided that they have succeeded in establishing their target consumer and attracted footfall to their properties.

4.7. En-bloc Transactions and Market Yields

As of August 2016, the investment market for en-bloc retail properties in Zhongshan has been relatively limited. Based on anecdotal evidence, most of the activity has been focused on the purchase of older factories or commercial buildings which are subsequently repositioned as retail properties. These buildings, however, are typically small-scale and of relatively poor quality and are typically not able to compete with the larger shopping malls and department stores in Zhongshan.

Two notable transactions were Dasin E-Colour and 118 Mall. Dasin E-Colour was a furniture mall before being purchased by Dasin Group, and has now been repositioned as a niche-market shopping mall targeting nearby university students and residents. The 118 Mall was managed by Dasin Group before being purchased by Dasin Group at the end of 2015. Dasin Group intends to reposition the mall with more F&B and entertainment tenants in order to attract more footfall and make it a complimentary offering with Xiaolan Metro Mall which is located adjacent to the property.

Given the lack of a substantial investment market in Zhongshan, it is not feasible to provide a market yield level based on transactions. In these instances, market expectations for yield are typically benchmarked to nearby cities which may have more active investment markets. In the case of Zhongshan, nearby Guangzhou would represent the most relevant benchmark.

According to CBRE Research, recent net yields in Guangzhou are estimated 4.0%-4.5% as of August 2016. Based on anecdotal evidence, investors will typically require a yield premium of 200 to 250 basis points for a city such as Zhongshan. Net yields for Zhongshan are therefore estimated
at between 6.0% - 6.5% on average considering both seller and buyer expectations. It is noted, however, that more established properties in preferable locations would be expected to trade at lower net yields, while poorly located assets might trade at higher net yields.

4.8. Estimated Retail Property Capital Values

As for rental levels, capital values can vary significantly depending on asset characteristics including quality, location, and trade mix. Given the lack of investment transactions as mentioned above, it is not feasible to provide a transaction-based capital value for Zhongshan’s retail market. In absence of transaction evidence, an indicative capital value can be estimated based on the net cash flow potential of a typical retail asset along with the market yield expectations for typical investors.

Assuming a typical trade mix and achievable rentals as shown in the chart below, average rentals are estimated at approximately RMB 151 per sqm per month as of August 2016. Further assuming an occupancy level of 90%, management fees of RMB 30 per sqm per month, and an expense ratio of 30%, the net rental income for the hypothetical property is estimated at RMB 114 per sqm per month. In addition, an average efficiency rate of 75% is assumed to convert income to a GFA basis.

Figure 45: Trade Mix (based on NLA)

![Trade Mix Chart](source: CBRE)

Applying the estimated net yield for Zhongshan as mentioned above, capital values for typical retail properties in Zhongshan are estimated at between RMB 13,700 and RMB 15,800 per sqm on a GFA basis as of August 2016. As mentioned above, actual capital values can vary significantly, and may be outside of this range depending on the property’s characteristics.
4.9. Impacts of Shenzhen – Zhongshan Bridge

Once put into use, the bridge is expected to provide a moderate net positive impact to the retail market in Zhongshan.

While the bridge will make it easier for Zhongshan residents to travel to Shenzhen for shopping, the consumer segment most impacted is expected to be high-end to luxury. Given that this segment of the market already does most of its consumption outside of Zhongshan, the negative impact to Zhongshan’s retail market is expected to be limited.

The mid- to mid-upper segment of the market is less likely to be negatively impacted, as these consumer groups are more likely to stay in Zhongshan for their typical consumption needs. The impact on mid- to mid-upper positioned malls, especially for community malls anchored by supermarkets or hypermarkets would be relatively limited because consumers in this category prefer to shop in the vicinity.

Furthermore, retail demand may spill over to Zhongshan due to the relatively higher housing prices in Shenzhen, which may provide an impetus for some residents to live in Zhongshan and work in Shenzhen thus increasing the population and consumer base in Zhongshan.
5. DASIN RETAIL TRUST PORTFOLIO

It is understood by CBRE that the Dasin Retail Trust will initially comprise three retail properties which are all located in Zhongshan, within the province of Guangdong in southern China. These properties are:

- Xiaolan Metro Mall
- Ocean Metro Mall
- Dasin E-Colour

It is further understood that a fourth retail property, Shiqi Metro Mall, is expected to be acquired by the Trust within 6 months after the listing date.

This section provides a brief overview of the assets and describes their geographic spread and characteristics.

5.1. Geographic Spread

Three of the four properties are located within the core urban area of Zhongshan while one property (Xiaolan Metro Mall) is located in a satellite town approximately 20 km to the northwest of the core urban area. The map below gives the general locations of each of the properties, while subsequent sections will provide a more detailed overview of each of the respective properties.

Figure 46: Geographic Spread of Assets

Source: CBRE, Map data ©2015 Google
5.2. Summary of Properties

A brief summary of the key points of the four properties is as follows:

- In total, the four properties have a combined net lettable area (NLA) of 243,631 sqm.
- In terms of NLA, the retail malls range in size from 12,638 sqm (Dasin E-Colour) to 86,352 sqm (Shiqi Metro Mall).
- The properties in the portfolio were completed between 2004 and 2014, although it is understood by CBRE that the Dasin E-Colour property was acquired by Dasin in 2013.
- Ample parking is provided for in three of the four properties, with the number of car park spaces ranging from 545 (Shiqi Metro Mall) to 1,991 (Ocean Metro Mall), although it is noted that the Dasin E-Colour property does not comprise any car park allotment.
- The estimated main trade area population for the four properties ranges between approximately 62,000 and 791,000 people. Estimated average annual disposable income levels for the main trade area of the four properties ranges from RMB 35,000 to RMB 45,000, approximately 15% above the city average. Population and consumption within the main trade area is expected to grow over the next several years.
- The Shiqi Metro Mall and Xiaolan Metro Mall have been opened for more than 10 years and are considered established and dominant players within their respective trade areas.
- Dasin E-Colour was acquired by Dasin in 2013 and was converted from a furniture mall to a shopping mall primarily targeting the adjacent university, located 30 meters on the opposite side of the property on Longjing Road, and surrounding residential neighborhoods within the main trade area. It recently opened in May 2015 and has reached a relatively high occupancy level of 92.79% as of June 2016.
- Ocean Metro Mall also just opened relatively recently at the end of 2014 and has seen significant improvements in terms of footfall and occupancy level since its opening.

Figure 47: Occupancy levels of properties and NLA by property (as of June 2016)

Source: Dasin
Figure 48: Summary of Key Characteristics for the 4 Property Assets

<table>
<thead>
<tr>
<th>Property Characteristics</th>
<th>Xiaolan Metro Mall</th>
<th>Ocean Metro Mall</th>
<th>Dasin E-Colour</th>
<th>Shiqi Metro Mall</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retail GFA (sqm)</strong>**</td>
<td>88,235</td>
<td>85,995</td>
<td>25,857</td>
<td>101,585</td>
</tr>
<tr>
<td><strong>NLA (sqm)</strong></td>
<td>77,747</td>
<td>66,895</td>
<td>12,638</td>
<td>86,352</td>
</tr>
<tr>
<td><strong>No. of Storeys</strong></td>
<td>5 (above ground) 1 (car-park)</td>
<td>5 (above ground) 3 (car-park)</td>
<td>9</td>
<td>5 (above ground) 2 (car-park)</td>
</tr>
<tr>
<td><strong>No. of Parking Lots</strong></td>
<td>626</td>
<td>1,991</td>
<td>0</td>
<td>545</td>
</tr>
<tr>
<td><strong>No. of Tenants</strong></td>
<td>136</td>
<td>132</td>
<td>45</td>
<td>163</td>
</tr>
<tr>
<td><strong>Completion Year</strong></td>
<td>2005</td>
<td>2014</td>
<td>2015*</td>
<td>2004</td>
</tr>
<tr>
<td><strong>Positioning</strong></td>
<td>Mid-end</td>
<td>Mid to mid-upper</td>
<td>Mid-end</td>
<td>Mid-end</td>
</tr>
<tr>
<td><strong>Major Anchor Tenants</strong></td>
<td>RT-Mart, Superior City Department Store, Suning</td>
<td>Carrefour, Superior City Department Store, Suning</td>
<td>Hengxing Internet Cafe, Today Gym</td>
<td>RT-Mart, Superior City Department Store, Suning, Gome</td>
</tr>
</tbody>
</table>

**Trade Area Characteristics**

<table>
<thead>
<tr>
<th>Immediate Catchment</th>
<th>Mature</th>
<th>Emerging</th>
<th>Mature</th>
<th>Mature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Est. Main Trade Area (MTA) Population, 2015</td>
<td>589,703</td>
<td>246,603</td>
<td>61,912</td>
<td>791,218</td>
</tr>
<tr>
<td>Est. MTA Annual Disposable Income per Capita, 2015 (RMB)</td>
<td>44,637</td>
<td>34,794</td>
<td>44,959</td>
<td>39,224</td>
</tr>
<tr>
<td>Est. MTA Annual Expenditure per Capita, 2015 (RMB)</td>
<td>30,545</td>
<td>21,885</td>
<td>40,063</td>
<td>26,712</td>
</tr>
<tr>
<td>Est. MTA Retail Sales, 2015 (RMB Billion)</td>
<td>14.56</td>
<td>17.43</td>
<td>2.53</td>
<td>35.77</td>
</tr>
<tr>
<td>Existing Local Competition</td>
<td>Limited - Moderate</td>
<td>Limited</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

**Future Outlook**

| Forecast Population Growth, 2015-2018 | 0.9% | 2.0% | 2.1% | 1.8% |
| Forecast Annual Disposable Income Growth, 2015-2018 | 9.2% | 8.7% | 8.2% | 7.3% |
| Future Competition to Property | Limited | Moderate | Limited | Limited - Moderate |

Source: Dasin, CBRE

* Note: Dasin E-Colour was acquired by Dasin in 2013 and opened for business in 2015 after refurbishment
** Excludes carpark area
6. XIAOLAN METRO MALL PROPERTY OVERVIEW

6.1. Location & Accessibility

The Xiaolan Metro Mall property is located at the intersection of Shengping Middle Road and Min’an Middle Road in Xiao Lan District, approximately 20 km to the northwest of the Zhongshan core urban area.

Min’an Middle Road is the one of the major north-south traffic arteries for Xiao Lan District while Shengping Road runs east-west and serves the immediate area around the property. The property is well served by various other public roads that extend to other districts of Zhongshan, and is only 1.2 km west of the Xiao Lan Bus Station.

In addition to being well served by the road network, the property is also very well served by numerous local public bus routes including one stop directly in front of the property.

Accessibility to and from the Xiaolan Metro Mall is therefore considered to be excellent in the local context.
6.2. Property Description

Xiaolan Metro Mall was completed in 2005 and comprises a total NLA of 77,747 sqm. The property has 5 floors above ground and 1 floor below ground. A total of 626 parking spaces are provided for the property, located underground on level B1.

Despite the property being more than 10 years old, the exterior remains well-maintained and is kept clean, with no visible signs of neglect. A recent picture of the building exterior is provided below.

Figure 50: External Image

The property is designed in a rectangular layout, centered around a circular atrium area. The atrium area has a vaulted glass ceiling, providing natural light and ample site lines to various levels of the property. The shops are generally configured in a grid layout surrounding the atrium area.

As at June 2016, the property has approximately 136 tenants, including anchor tenants RT-Mart, Superior City Department Store, Suning, and Jinyi Cinema. The average shop size is approximately 334 sqm excluding multiple floor tenants, although the sizes vary significantly from just several square meters to several thousand square meters.

Vertical integration of the various levels is provided by a series of elevators and escalators mostly located around the atrium area. Vertical integration within the multiple floor tenants’ areas is also provided. The following table shows the basic trade mix by floor.

Figure 51: Overall Trade Mix

<table>
<thead>
<tr>
<th>Floor</th>
<th>Trade-mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basement Car-park</td>
<td></td>
</tr>
<tr>
<td>Level 1 Department Store, F&amp;B, Electronics, Retail</td>
<td></td>
</tr>
<tr>
<td>Level 2 Hypermarket, Retail</td>
<td></td>
</tr>
<tr>
<td>Level 3 Department Store, F&amp;B, Kids Retail</td>
<td></td>
</tr>
<tr>
<td>Level 4 Cinema, Retail, F&amp;B, Lifestyle, Kids Entertainment</td>
<td></td>
</tr>
<tr>
<td>Level 5 F&amp;B</td>
<td></td>
</tr>
</tbody>
</table>

Source: Dasin, CBRE
As at June 2016, the average base rental in the entire property was RMB 111.30 per sqm per month, and the weighted average lease expiry (WALE) was 5.98 years. Several anchor tenants including RT-Mart, Superior City Department Store occupy multiple floors, and are subject to longer lease terms and relatively low rental levels.

As of the same date, the property was 100% occupied.

As provided by Dasin, estimated daily footfall patterns are shown in the table below, indicating that the property draws significantly more consumers during weekend and holiday periods. It is also noted that, according to data provided by Dasin, estimated annual footfall has increased by 3.9% in the past 12 months.

<table>
<thead>
<tr>
<th>Property</th>
<th>Weekdays ('000)</th>
<th>Weekends ('000)</th>
<th>Public Holidays ('000)</th>
<th>Total Annual Estimated Footfall ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xiaolan Metro Mall</td>
<td>12,669</td>
<td>7,910</td>
<td>2,132</td>
<td>22,712</td>
</tr>
</tbody>
</table>

Source: Dasin

---

WALE by committed NLA as at 30 June 2016, provided by Dasin
### 6.3. Trade Area Analysis

#### 6.3.1. Trade Area Definition

**Figure 53: Primary and Secondary Trade Area**

<table>
<thead>
<tr>
<th>Marker</th>
<th>Name</th>
<th>Marker</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jinju Garden</td>
<td>10</td>
<td>Fengshan Park</td>
</tr>
<tr>
<td>2</td>
<td>Yinju Garden</td>
<td>11</td>
<td>Longshan Park</td>
</tr>
<tr>
<td>3</td>
<td>Longshan Mansion</td>
<td>12</td>
<td>Xiaolan Gymnasium</td>
</tr>
<tr>
<td>4</td>
<td>Yihu Peninsula</td>
<td>13</td>
<td>Xiaolan Town Government</td>
</tr>
<tr>
<td>5</td>
<td>Jucheng – Jianhua Garden</td>
<td>14</td>
<td>Xiaolan Bus Station</td>
</tr>
<tr>
<td>6</td>
<td>Yangguang Meijia</td>
<td>15</td>
<td>Zhongshan Xiaolan Port</td>
</tr>
<tr>
<td>7</td>
<td>Dongfang Garden</td>
<td>16</td>
<td>Zhongshan Xiaolan Middle School</td>
</tr>
<tr>
<td>8</td>
<td>Chaoyang Huadi</td>
<td>17</td>
<td>Seaport City</td>
</tr>
<tr>
<td>9</td>
<td>Lanyue Xuan</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Not to Scale, Location of Properties are Approximate
Source: Map data ©2015 Google, CBRE*

#### Primary Trade Area Definition:

Considering the property’s scale and positioning, the primary trade area has been defined as an oval extending further to the southeast and southwest, covering an estimated total area of 19.4 sq km. The following considerations were taken into account when defining the primary trade area:

- Xiaolan Metro Mall is positioned as a shopping mall targeting at local residents. Residents living within a 1.5 km distance will need approximately 20 minutes walking or less, while the furthest point of the primary trade area is accessible within 5-10 minutes driving. It is considered to be a reasonable travelling distance for daily shopping.
The Xiaolan Channel which is 1.5 km to the east forms a physical boundary and residents living across the waterway are considered less likely to shop at Xiaolan Metro Mall on a daily basis.

There are some high density residential communities to the southeast and southwest and the residents can easily access Xiaolan Metro Mall by Jucheng Avenue and Min’an Road. Hence the border of primary trade area is considered to extend to 2km southeast and 3km southwest from Xiaolan Metro Mall.

**Primary Trade Area Key Characteristics:**

- There are several large scale communities within the primary trade area, namely Jinju Garden, Yinju Garden, and Longshan Mansion.
- The public transportation of the primary trade area is relatively mature. Xiaolan Bus Station which is located 1km east from Xiaolan Metro Mall, provides routes to Zhongshan’s other major districts and nearby cities.
- 500m to the west of Xiaolan Metro Mall is Xiaolan Gymnasium, which generally attracts residents to the area. Xiaolan Town Government is located 300m to the east of Xiaolan Metro Mall, the staff of which account for a portion of target consumers. Zhongshan Xiaolan Middle School, located 3km to the southwest from Xiaolan Metro Mall, has over 3,000 students and staff which, together with the families, are considered part of the target customers.
- Seaport City, a 260,000 sqm mixed-use project currently under construction, is located 1km northeast from Xiaolan Metro Mall. The project as planned is comprised of office and retail components and is expected to be completed in phased beginning in 2017.

**Secondary Trade Area Definition:**

The secondary trade area is considered to be an oval covering 187.5 sq km extending more towards the southeast of Xiaolan Metro Mall. It covers Xiaolan Town, Dongfeng Town, and Dongsheng Town. The following considerations were made when defining the secondary trade area:

- The north and east borders of the secondary trade area are the Donghai Waterway and the Jiya Waterway, respectively. The waterways form physical boundaries, and given limited main roads providing accessibility to Xiaolan Metro Mall for residents living in further areas, these residents are generally not expected to form a significant portion of target consumers of Xiaolan Metro Mall.
- The southwest border of the secondary trade area is the Dong’an North Road. Given there are several retail properties with similar scale and positioning to the west of the border, residents living in further areas are not expected to regularly travel to Xiaolan Metro Mall for shopping.
- There are several high density residential communities to the south of Xiaolan Metro Mall, and there are no existing major retail properties considered as competitors in the secondary trade area. Therefore the border of secondary trade area is considered to extend 8km southeast of Xiaolan Metro Mall.
Secondary Trade Area Key Characteristics:

- There are several residential communities located within the secondary trade area, including Jucheng – Jianhua Garden and Yihu Peninsula to the north, as well as Yangguang Meijia, Dongfang Garden, and Chaoyang Huadi to the south. The residential communities are located near Xiaolan South Avenue/Yumin Avenue, extending southeast from Xiao Lan Town to Dongsheng Town.

- The railway that connects Zhongshan with Jiangmen, Foshan and other cities runs through the secondary trade area.

6.3.2. Trade Area Population & Retail Spending

Figure 54: Estimated Population, Retail Sales, Disposable Income and Consumption Expenditure

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2015</th>
<th>2018F</th>
<th>CAGR (08-15)</th>
<th>CAGR (15-18)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Estimated Population</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary Trade Area</td>
<td>142,825</td>
<td>150,807</td>
<td>154,456</td>
<td>0.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Secondary Trade Area</td>
<td>411,756</td>
<td>438,895</td>
<td>450,574</td>
<td>0.9%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Main Trade Area*</td>
<td>554,581</td>
<td>589,703</td>
<td>605,029</td>
<td>0.9%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Zhongshan Overall</td>
<td>2,819,500</td>
<td>3,209,600</td>
<td>3,507,217</td>
<td>1.9%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Estimated Retail Sales (RMB Billion)</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Trade Area</td>
<td>3.93</td>
<td>8.76</td>
<td>11.35</td>
<td>12.1%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Secondary Trade Area</td>
<td>2.16</td>
<td>5.80</td>
<td>7.86</td>
<td>15.2%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Main Trade Area</td>
<td>6.09</td>
<td>14.56</td>
<td>19.21</td>
<td>13.3%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Zhongshan Overall</td>
<td>48.03</td>
<td>107.97</td>
<td>143.71</td>
<td>12.3%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Estimated Annual Disposable Income per Capita</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Trade Area</td>
<td>34,308</td>
<td>56,828</td>
<td>75,638</td>
<td>7.5%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Secondary Trade Area</td>
<td>24,365</td>
<td>40,448</td>
<td>52,089</td>
<td>7.5%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Main Trade Area</td>
<td>26,926</td>
<td>44,637</td>
<td>58,100</td>
<td>7.5%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Zhongshan Overall</td>
<td>21,560</td>
<td>35,712</td>
<td>43,052</td>
<td>7.5%</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Estimated Annual Expenditure per Capita</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Trade Area</td>
<td>26,842</td>
<td>38,711</td>
<td>52,947</td>
<td>5.4%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Secondary Trade Area</td>
<td>18,832</td>
<td>27,739</td>
<td>36,365</td>
<td>5.7%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Main Trade Area</td>
<td>20,895</td>
<td>30,545</td>
<td>40,598</td>
<td>5.6%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Zhongshan Overall</td>
<td>16,868</td>
<td>24,327</td>
<td>28,074</td>
<td>5.4%</td>
<td>4.9%</td>
</tr>
</tbody>
</table>

* Main trade area is the primary trade area plus the secondary trade area

Source: Zhongshan Statistics Bureau, CBRE
Current and Forecast Resident Population

As at 2015, Zhongshan has a total resident population of 3.21 million. It is estimated that the primary trade area has a total resident population of 150,807 residents and secondary trade area has a total of 438,895 residents. In total, the main trade area contains approximately 18.4% of Zhongshan’s total population.

Between 2008 and 2015, Zhongshan’s population increased at a CAGR of 1.9%. Over the same period, the population of main trade area increase at a CAGR of 0.9%.

Looking forward, it is estimated that between 2015 and 2018, the population of the primary trade area will increase at a CAGR of 0.8%, reaching 154,456 residents by 2018. Over the same period, it is estimated that the secondary trade area will also increase at a CAGR of 0.9%, reaching 450,574 residents by 2018. By 2018, the total resident population within the primary and secondary trade areas is estimated to reach 605,029, an increase of 2.6% from present resident population levels.

The increase in future population is partly driven by: i) government planning and development, ii) increasing supply of residential communities and higher density residential, and iii) improvement in infrastructure development and continued urbanization.

Retail Sales

Retail sales in Zhongshan reached RMB 107.97 billion in 2015, growing at a CAGR of 12.3% from 2008. In 2015, the retail sales within main trade area reached an estimated RMB 14.56 billion, approximately 13.5% of the overall city. Going forward, the main trade area is expected to see retail sales increasing at a CAGR of 9.7% to RMB 19.21 billion by 2018.

Disposable Income

As at 2015, Zhongshan has an annual disposable income per capita of RMB 35,712. Primary trade area’s annual disposable income per capita as at 2015 is estimated to be RMB 56,828, almost 1.6 times of Zhongshan’s overall average. The secondary trade area’s annual disposable income is estimated to be RMB 40,448.

Looking forward, it is projected that the primary and secondary trade area’s annual disposable income per capita would reach RMB 75,638 and RMB 52,089, respectively, by 2018.

Consumption Expenditure

As at 2015, Zhongshan’s overall annual consumption expenditure, on a per capita basis, reached RMB 24,327. Primary and secondary trade area’s annual consumption expenditure on a per capita basis is estimated to be RMB 38,711 and RMB 27,739, respectively, as at 2015.

Looking forward, it is projected that the primary and secondary trade area’s annual consumption expenditure per capita will reach RMB 52,947 and RMB 36,365 as of 2018, respectively.
6.4. Review of Competitive Environment

Figure 55: Map of Major Existing and Future Competitors

Not to Scale, Location of Properties are Approximate
Source: Map data ©2015 Google, CBRE

Figure 56: List of Existing and Future Competitive Projects

<table>
<thead>
<tr>
<th>Marker</th>
<th>Name</th>
<th>Distance from Xiaolan Metro Mall (km)</th>
<th>Retail GFA (sqm)</th>
<th>Completion Date</th>
<th>Competition Impact</th>
<th>GF Rental (RMB/sqm/month)</th>
<th>Est. Occupancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Existing Competitors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Shunchang Department Store</td>
<td>0.2</td>
<td>50,000</td>
<td>2002</td>
<td>Limited</td>
<td>200-250 / 15% - 20% (of sales amount)</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>118 Mall</td>
<td>0.3</td>
<td>34,000</td>
<td>2014</td>
<td>Limited</td>
<td>100-220</td>
<td>67%</td>
</tr>
<tr>
<td>3</td>
<td>Longshan Shopping Center</td>
<td>0.9</td>
<td>55,000</td>
<td>2016</td>
<td>Moderate</td>
<td>120-180</td>
<td>70%</td>
</tr>
<tr>
<td>4</td>
<td>Parkway Plaza</td>
<td>2.6</td>
<td>120,000</td>
<td>2015</td>
<td>Moderate</td>
<td>200-270</td>
<td>90%</td>
</tr>
<tr>
<td>Future Competitors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Seaport City Phase 1</td>
<td>1</td>
<td>90,000</td>
<td>2017</td>
<td>Limited</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>5</td>
<td>Seaport City Phase 2</td>
<td>1</td>
<td>30,000</td>
<td>2017</td>
<td>Limited</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Source: CBRE, as of August 2016
6.4.1. Existing Competition

At present, there are four existing retail projects within the main trade area which can be considered Xiaolan Metro Mall’s main competitors. These include:

**Shunchang Department Store**
- Shunchang Department Store is a mid-end positioned shopping mall opened in 2002, adjacent to Xiaolan Metro Mall.
- Shunchang Department Store has a long operating history and enjoys good market awareness in Xiaolan Town. It has a diversified trade mix including retail, supermarket, F&B, and entertainment. The current anchor tenants include One Plus One Supermarket and Gome, among others.
- Shunchang Department Store has a smaller scale and lower brand positioning compared to that of Xiaolan Metro Mall, hence it attracts a different customer group to the area. Therefore, Shunchang Department Store is deemed to pose limited competition to Xiaolan Metro Mall.

**118 Mall**
- 118 Mall is a mid-end positioned shopping mall with a total retail GFA of 33,536.90 sqm. It was opened in 2014 and has been purchased by Dasin Real Estate Holdings Company Limited. It is located across Xinhua Middle Road from Xiaolan Metro Mall.
- Given that 118 Mall now owned by Dasin, it is considered complimentary to Xiaolan Metro Mall in terms of brand positioning and can attract additional footfall to the area given the synergies. Therefore the competition from 118 Mall is considered to be limited.

**Longshan Shopping Center**
- Longshan Shopping Center is the retail component of a mixed-use property located about 0.9km from Xiaolan Metro Mall.
- It has a retail GFA of approximately 55,000 sqm and was opened in Q1 2016.
- It is a mid-end shopping mall with a trade mix mainly focused on retail and F&B, with a small portion of entertainment. It is positioned to meet the demand from residents in nearby residential communities as well as the guests from the hotel component. However, Longshan Shopping Center has been suffering from relatively low footfall and low occupancy since opening.
- At present the competitive impacts to Xiaolan Metro Mall are considered relatively low, although this may change going forward as the property becomes more established and sees improvements in operational aspects.

**Parkway Plaza**
- Parkway Plaza is a mixed-use project located 2.6 km from Xiaolan Metro Mall and was opened at the end of 2015. The retail GFA of Parkway Plaza shopping mall is estimated at 120,000 sqm.
- The trade mix of the shopping mall is focusing on fashion and kids entertainment. It has several fast fashion brands which are currently exclusive in Xiaolan, providing some degree of competitive advantage in the Xiaolan retail market.
• Parkway Plaza is mainly targeting to meet the demand from residents in the residential component of the mixed-use property, as well as in nearby residential communities.

• The large scale, well-selected brand combination and synergies from the mixed-use property make Parkway Plaza a competitive player in Xiaolan retail market. However, given the relatively far distance to Xiaolan Metro Mall, Parkway Plaza is considered to have only a moderate level of competition on Xiaolan Metro Mall.

6.4.2. Future Competition

• Seaport City is expected to be launched in phases during 2017 to 2018 and is considered as a potential competitor of Xiaolan Metreo Mall. It is a mixed-use project located 1 km from Xiaolan Metro Mall. The project contains two phases and is planned to consist of retail and office components. Phase 1 is currently under construction while phase 2 is at the clear land stage.

• Phase 1 of Seaport City will comprise the majority of the retail space with an estimated 90,000 sqm while phase 2 is expected to comprise approximately 30,000 sqm.

• The anticipated positioning of the shopping mall is mid-market, with a relatively strong focus on the F&B sector.

• It is expected to form a limited competition to Xiaolan Metro Mall given the different trade mix.

6.5. Market & Rental Growth Outlook

Overall, the average ground floor rental of RMB 292.38 per sqm per month as at June 2016, excluding multiple floor tenants, is above the average of the property’s major competitors. This is largely attributed to the experienced retail management team, good location with large amount of footfall, strong brand awareness, and cooperation with retailers.

The property’s overall WALE of 5.98 years as at June 2016, suggests minimal amount of market risk in the short to medium term.

Most of the non-anchor tenant leases contain a rental escalation clause that provides for an annual adjustment, typically between 6% and 10%. This can be expected to be beneficial for the cash flow of the property in the short to medium-term.

Despite the increasing level of competition in the Xiaolan area, the impacts on Xiaolan Metro Mall are expected to be limited to moderate in the short to medium term due to a number of factors including:

• Xiaolan Metro Mall is located in the core area of Xiaolan town and has an established consumer base given its relatively long period of operation.

• Xiaolan Metro Mall has a moderate length WALE of 5.98 years which serves to partially mitigate potential impacts to the property’s rental income.

• Dasin’s recent acquisition of 118 Mall has effectively eliminated one competitor and provides the opportunity to leverage synergies of scale and trade mix to improve footfall to the area.
7. OCEAN METRO MALL PROPERTY OVERVIEW

7.1. Location & Accessibility

Figure 57: Accessibility of Ocean Metro Mall

Source: Map data ©2015 Google, CBRE

7.2. Property Description

The Ocean Metro Mall property is located at the intersection of Bo’ai Road and Bolan Road in Donggu District, within the core urban area of Zhongshan.

Qiwan Road and Changjiang Road are two of the main traffic arteries connecting north-south in the Donggu District, while Bo’ai Road is considered the major east-west traffic artery cutting across Donggu District, serving the immediate area around the property. Bo’ai Road and Xingwen Road are connected by various minor roads including Xingzheng Road, Changmingshuichangyi Road, and Bolan Road (where the property is located).

In addition to being well served by the road network, there are numerous local public bus routes in close proximity to the property, including one stop directly in front of the property and free shuttle buses provided by the management of Ocean Metro Mall.

Accessibility to and from the Ocean Metro Mall is therefore considered to be excellent in the local context.

Ocean Metro Mall was completed in 2014 and comprises a total NLA of approximately 66,895 sqm. The property has 5 floors above ground and 3 floors below ground. A total of 1,991 parking spaces are provided for the property, located underground on level B1 to B3.
As the property is approximately one year old, the facade is seen as fresh and still extremely well maintained. A recent picture of the building exterior is provided below.

Figure 58: External Image

The property is designed in a slightly curving racetrack layout with adjoining structures which house the anchor tenants. Within the main portion of the mall the overall feel is open and airy, and site lines are clear allowing consumers’ visibility across various levels. The fifth floor is essentially a rooftop area offering a combination of indoor and outdoor space.

As at June 2016, the property has approximately 132 tenants, including anchor tenants Carrefour, Superior City Department Store, Suning, Top KTV, Win Fitness and Jinyi Cinema. The average shop size is approximately 277 sqm excluding multiple floor tenants, although the sizes vary significantly from around 10 square meters to several thousand square meters.

Vertical integration of the various levels is provided by escalators and elevators located on either side of the main mall area. Within Superior City Department Store and Carrefour, there are also elevators and escalators allowing for movement between floors.

The following table shows the basic trade mix by floor.

Figure 59: Overall Trade Mix

<table>
<thead>
<tr>
<th>Floor</th>
<th>Trade-mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>B3</td>
<td>Car-park</td>
</tr>
<tr>
<td>B2</td>
<td>Car-park</td>
</tr>
<tr>
<td>B1</td>
<td>Car-park, Department Store, Lifestyle, Vehicle Servicing Center</td>
</tr>
<tr>
<td>Level 1</td>
<td>Department Store, Supermarket, Electronics, Fashion Retail, Lifestyle, Jewelry &amp; Watches, F&amp;B</td>
</tr>
<tr>
<td>Level 2</td>
<td>Department Store, Supermarket, Electronics, F&amp;B, Fashion Retail, Lifestyle</td>
</tr>
<tr>
<td>Level 3</td>
<td>Department Store, Supermarket, Electronics, Children’s Retail, Lifestyle</td>
</tr>
<tr>
<td>Level 4</td>
<td>Cinema, F&amp;B, KTV</td>
</tr>
<tr>
<td>Level 5</td>
<td>Fitness Center</td>
</tr>
</tbody>
</table>

Source: Dasin, CBRE
As at June 2016, the average base rental in the entire property was RMB 84.66 per sqm per month, and the weighted average lease expiry (WALE\textsuperscript{39}) was 11.87 years. Several anchor tenants including Superior City Department Store and Suning, occupy multiple floors, and are subject to longer lease terms and relatively low rental levels.

As of the same date, the property was 99.45% occupied.

As provided by Dasin, estimated daily footfall patterns are shown in the table below, indicating that the property draws significantly more consumers during public holidays.

Footfall is still relatively low compared to the other more established properties within the Trust given that Ocean Metro Mall is only relatively recently opened and located in an emerging area of the city. It is noted however, that according to data provided by Dasin, estimated annual footfall has increased significantly by 40.3% in the past 12 months as the property is becoming more mature.

\textbf{Figure 60: Estimated Annual Footfall Patterns for Ocean Metro Mall}

<table>
<thead>
<tr>
<th>Property</th>
<th>Weekdays ('000)</th>
<th>Weekends ('000)</th>
<th>Public Holidays ('000)</th>
<th>Total Annual Estimated Footfall ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ocean Metro Mall</td>
<td>7,970</td>
<td>3,763</td>
<td>1,265</td>
<td>12,999</td>
</tr>
</tbody>
</table>

Source: Dasin, CBRE

\textsuperscript{39} WALE by committed NLA as at 30 June 2016, provided by Dasin
7.3. Trade Area Analysis

7.3.1. Trade Area Definition

Figure 61: Primary and Secondary Trade Area

<table>
<thead>
<tr>
<th>Marker</th>
<th>Name</th>
<th>Marker</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ocean City</td>
<td>10</td>
<td>Ocean Plaza</td>
</tr>
<tr>
<td>2</td>
<td>Langrun Park</td>
<td>11</td>
<td>Zhongshan Technician College</td>
</tr>
<tr>
<td>3</td>
<td>The Woodland Rose Garden</td>
<td>12</td>
<td>Zhongshan Overseas Chinese Secondary School</td>
</tr>
<tr>
<td>4</td>
<td>Boyuewan</td>
<td>13</td>
<td>Zhongshan Polytechnic Institute</td>
</tr>
<tr>
<td>5</td>
<td>Lihe Greenville</td>
<td>14</td>
<td>Zimaling Park</td>
</tr>
<tr>
<td>6</td>
<td>Lihe Plaza</td>
<td>15</td>
<td>Sunwen Memorial Park</td>
</tr>
<tr>
<td>7</td>
<td>The Summit</td>
<td>16</td>
<td>Zhongshan Gymnasium</td>
</tr>
<tr>
<td>8</td>
<td>Dadongyu International Plaza</td>
<td>17</td>
<td>Zhongshan Train Station</td>
</tr>
<tr>
<td>9</td>
<td>Zhongshan No.1 Middle School</td>
<td>18</td>
<td>Zhongshan Expo Center</td>
</tr>
</tbody>
</table>

Not to Scale, Location of Properties are Approximate
Source: Map data ©2015 Google, CBRE
Primary Trade Area Definition:
Considering the scale and positioning of Ocean Metro Mall, the primary trade area has been defined as a 1.5 km radius circle surrounding the property, covering a total of 7.1 sq km. The following considerations were made when defining the primary trade area of Ocean Metro Mall:

- Ocean Metro Mall is positioned as a mid- to mid-upper shopping mall, providing an integrated shopping experience including retail, F&B, and entertainment. The target consumer group is mainly students and residents from nearby districts. The 1.5 km distance takes approximately 20 minutes walking or less than 3 minutes driving. It is considered to be a reasonable travelling distance for daily shopping.
- 1.5 km to the north of the subject site is the 5th Zhongshan Road. Residents beyond the 5th Zhongshan Road would be less likely to travel to Ocean Metro Mall for daily shopping, especially considering that the Zimaling Park is located adjacent to Ocean Metro Mall to the north, providing a physical impediment to conveniently reach the property from the north.

Primary Trade Area Key Characteristics:
- The primary trade area is characterized by a concentration of good quality residential communities. Ocean City residential community is located to the southwest of Ocean Metro Mall, consisting of apartment buildings and villas.
- There are two high schools and two professional schools located within the primary trade area. The students and staff from these schools account for a significant portion of the target consumer group.
- To the west of Ocean Metro Mall there is the China (Zhongshan) Light Industry Expo Center, a public infrastructure with a GFA of 110,000 sqm and more than 1,000 car parking lots. The expo center has the potential to attract heavy footfall to the area when holding events. A Decathlon store is located in the expo center’s supporting retail area, facing Ocean Metro Mall. It is the largest sporting goods retailer in the area and attracts a considerable footfall.
- The expo center also contains a Public Service Center which opened in January 2015. The Public Service Center facilitates government related processes in a number of areas including company registration, investment approval, and social issues. The Center draws significant residents and businesspeople from throughout Zhongshan on working days.
- The 0.36 sq km Zimaling Park which is located to the north of Ocean Metro Mall attracts visitors from the surrounding area and nearby districts on daily basis.

Secondary Trade Area Definition:
The secondary catchment area is considered to be an irregular shape covering 223 sq km area mostly towards the east and south of the subject site. It covers most of Donggu District, some part of THIDZ, Nanlang Town, and Wuguishan Town. The following considerations were taken into account when defining the secondary trade area:

- The northern border of the secondary trade area is 3 km from Ocean Metro Mall. Residents in this area typically access the mall along Changjiang Road, Qiwan Road and Bo’ai Road.
The secondary trade area extends to 3km to the west of Ocean Metro Mall. There are several good quality retail properties near the edge of the trade area, hence residents outside this range are considered to be less likely to shop at Ocean Metro Mall. Residents within the secondary trade area can easily access the mall along Bo’ai Road.

Ocean Metro Mall operates six free shuttle bus routes extending to other districts and towns, providing easy access for local residents in those respective areas. As such, the east and south borders of the secondary catchment area are defined by the coverage of the bus routes in those areas.

- The south border is 8 km from Ocean Metro Mall, reaching Wuguishan District, where shuttle bus Route 8 ends.
- The east border is 11 km from Ocean Metro Mall, reaching Nanlang Town, where shuttle bus Route 5 ends.
- Shuttle bus Route 6 ends in Torch New High-tech District, extending the secondary catchment border 8km northeast from the mall.

Secondary Trade Area Key Characteristics:

- The north and west portions of the secondary trade area have a relatively higher population density as compared with other portions. There are several high quality mature residential communities as well as several new projects recently delivered to the market. Existing high quality residential properties include Langrun Park developed by Vanke, and Ocean City developed by Sino-Ocean Land, both located to the west of the mall, as well as the Woodland Rose Garden developed by Sun Hung Kai Properties, which is located to the north. Purchasing power is considered relatively high as compared with the overall city average.

- The north and west portions of the secondary trade area also comprise the highest density of high quality office buildings in Zhongshan, such as Dadongyu International Plaza, the Summit, and Lihe Plaza. The employees working in these office buildings also account for a substantial proportion of the target consumer group of the mall.

- The north and west portions of the secondary trade area have relatively mature infrastructure and a convenient public transportation system. Zhongshan Train Station is located at about 4.8 km to the north of the mall, and also connects to the Guangzhou-Macau highway. Metro Line 1, which is estimated to be completed by 2020 is planned to run to the north of the secondary trade area, also connecting to the Zhongshan Train Station. The BRT route also runs through the north part of the secondary trade area.

- Sunwen Memorial Park and Zhongshan Gymnasium are located 3.1 km to the west of the mall. Both public facilities can be expected to attract consumers to the trade area.

- The east and south part of the secondary trade area that extending towards THIDZ District and Nanlang District is largely characterized by hilly terrain with a relatively low population density. However, there are several high quality residential properties in this area, including Boyuewan developed by Vanke and residential project La Cite Greenville, developed by Agile which also comprises a golf club.
7.3.2. Trade Area Population & Retail Spending

Figure 62: Estimated Population, Retail Sales, Disposable Income and Consumption Expenditure

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Estimated Population</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary Trade Area</td>
<td>36,697</td>
<td>48,650</td>
<td>52,054</td>
<td>4.1%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Secondary Trade Area</td>
<td>153,551</td>
<td>197,952</td>
<td>209,527</td>
<td>3.7%</td>
<td>1.9%</td>
</tr>
<tr>
<td><strong>Main Trade Area</strong></td>
<td>190,248</td>
<td>246,603</td>
<td>261,582</td>
<td>3.8%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Zhongshan Overall</td>
<td>2,819,500</td>
<td>3,209,600</td>
<td>3,507,217</td>
<td>1.9%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Estimated Retail Sales (RMB Billion)</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Trade Area</td>
<td>2.11</td>
<td>4.77</td>
<td>6.35</td>
<td>12.4%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Secondary Trade Area</td>
<td>5.61</td>
<td>12.66</td>
<td>16.88</td>
<td>12.3%</td>
<td>10.1%</td>
</tr>
<tr>
<td><strong>Main Trade Area</strong></td>
<td>7.72</td>
<td>17.43</td>
<td>23.23</td>
<td>12.3%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Zhongshan Overall</td>
<td>48.03</td>
<td>107.97</td>
<td>143.71</td>
<td>12.3%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Estimated Annual Disposable Income per Capita</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Trade Area</td>
<td>32,070</td>
<td>53,121</td>
<td>72,650</td>
<td>7.5%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Secondary Trade Area</td>
<td>17,995</td>
<td>30,289</td>
<td>37,792</td>
<td>7.7%</td>
<td>7.7%</td>
</tr>
<tr>
<td><strong>Main Trade Area</strong></td>
<td>20,710</td>
<td>34,794</td>
<td>44,729</td>
<td>7.7%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Zhongshan Overall</td>
<td>21,560</td>
<td>35,712</td>
<td>43,052</td>
<td>7.5%</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Estimated Annual Expenditure per Capita</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Trade Area</td>
<td>25,091</td>
<td>36,186</td>
<td>50,855</td>
<td>5.4%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Secondary Trade Area</td>
<td>12,350</td>
<td>18,370</td>
<td>23,946</td>
<td>5.8%</td>
<td>9.2%</td>
</tr>
<tr>
<td><strong>Main Trade Area</strong></td>
<td>14,808</td>
<td>21,885</td>
<td>29,301</td>
<td>5.7%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Zhongshan Overall</td>
<td>16,868</td>
<td>24,327</td>
<td>28,074</td>
<td>5.4%</td>
<td>4.9%</td>
</tr>
</tbody>
</table>

*Main trade area is the primary trade area plus the secondary trade area
Source: Zhongshan Statistics Bureau, CBRE

Current and Forecast Resident Population

As at 2015, it is estimated that the primary trade area has a total resident population of 49 thousand and the secondary trade area has a total resident population of 198 thousand. In total, the main trade area has a resident population of 247 thousand, accounting for 7.7% of the total resident population in Zhongshan.

Between 2008 and 2015, the total resident population of Zhongshan increased at a CAGR of 1.9%, while that of the main trade area increased at a CAGR of 3.8%.

It is projected that through 2018, the population of the main trade area will increase at a CAGR of 2.0%, reaching a population of 262 thousand. The population of the primary trade area is estimated to grow at a CAGR of 2.3%, and that of the secondary trade area grow at a slightly lower CAGR of 1.9%.
The increase of the future population is expected to be mainly driven by the increasing supply of residential communities. Other drivers include eventual improvement in accessibility with the anticipated launch of the metro system and new bus routes, as well as the "Qijiang New City Master Planning" which covers the main trade area and targets at improving land usage rate.

**Retail Sales**

From 2008 to 2015, the retail sales of Zhongshan increased at a CAGR of 12.3%, reaching RMB 107.97 billion. The retail sales amount of the main trade area is estimated at RMB 17.43 billion, accounting for approximately 16% of the city’s total amount.

The retail sales amount of the main trade area is projected to increase at a rate similar to the overall city level, or 10.1% between 2015 and 2018. The total retail sales amount is therefore estimated to reach RMB 23.23 billion by 2018. Retail sales growth is expected to be supported by the growth of the economy and increasing disposable income.

**Disposable Income**

As at 2015, Zhongshan has an annual disposable income per capita of RMB 35,712, while that of the main trade area was estimated at RMB 34,794, 3% lower than the city level. The disposable income of Zhongshan has been growing at a CAGR of 7.5% between 2008 and 2015.

The annual disposable income per capita of the primary trade area was estimated at RMB 53,121 as of 2015, almost two times of that of the secondary trade area, which was RMB 30,289. The underlying reason is that the primary trade area has higher density of good quality residential communities.

The disposable income level of the main trade area is expected to realize a further growth in upcoming years. The CAGR between 2015 and 2018 of disposable income in the primary trade area is projected to be 11%, while that of the secondary trade area is projected to be 7.7%, reaching RMB 72,650 and RMB 37,792, respectively, by 2018.

**Consumption Expenditure**

As at 2015, Zhongshan’s overall annual consumption expenditure, on a per capita basis, reached RMB 24,327. Primary and secondary trade area’s annual consumption expenditure on a per capita basis is estimated to be RMB 36,186 and RMB 18,370, respectively, as at 2015.

Looking forward, it is projected that the primary and secondary trade area’s annual consumption expenditure per capita will reach RMB 50,855 and RMB 23,946 as of 2018, respectively.
7.4. Review of Competitive Environment

Figure 63: Map of Major Existing and Future Competitors

Figure 64: List of Existing and Future Competitive Projects

<table>
<thead>
<tr>
<th>Marker</th>
<th>Name</th>
<th>Developer</th>
<th>Distance from Ocean Metro Mall (km)</th>
<th>Retail GFA (sqm)</th>
<th>Completion Date</th>
<th>Competitive Impact</th>
<th>GF Rental (RMB/sqm/month)</th>
<th>Est. Occupancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Holiday Plaza</td>
<td>Huiji Property Group</td>
<td>3.5</td>
<td>30,000</td>
<td>2005</td>
<td>Limited</td>
<td>150 - 250</td>
<td>98%</td>
</tr>
<tr>
<td>2</td>
<td>Lihe Plaza</td>
<td>Lihe International Group Co., Ltd.</td>
<td>3.7</td>
<td>130,000</td>
<td>2012</td>
<td>Limited</td>
<td>375 - 450</td>
<td>85%</td>
</tr>
<tr>
<td>3</td>
<td>Yihua Department Store</td>
<td>Guangdong Yihua Department Store Co., Ltd.</td>
<td>3.7</td>
<td>50,000</td>
<td>1995</td>
<td>Limited</td>
<td>270-400 / 18-23% (of sales amount)</td>
<td>90%</td>
</tr>
</tbody>
</table>

Existing Competitors

Future Competitors

4 | Perfect Eagle Plaza | Zhongshan Golden Eagle Real Estate Co. Ltd. | 3.5 | 100,000 | 2018 | Limited | N/A | N/A  |
5 | Skyline International Plaza | Zhan Ying Estate Development Co. Ltd. | 2.0 | 50,000 | 2018 | Moderate - Strong | N/A | N/A  |

Source: CBRE, as of August 2016
7.4.1. Existing Competition

At present, there are no major direct competitors within the main trade area. The properties that are considered to form a limited competition are located just outside of the border of secondary trade area, to the west of Ocean Metro Mall. Competition by these properties is considered relatively limited in consideration of the main trade area which extends more towards the south and east, away from these competitors. These properties include:

**Holiday Plaza**
- Holiday Plaza is located 3.5 km from Ocean Metro Mall, outside of the main trade area, and has a smaller scale compared to Ocean Metro Mall. Therefore its competition is considered limited.

**Lihe Plaza**
- Lihe Plaza has a larger scale than Ocean Metro Mall and enjoys synergies from its office component. However, given that it is located outside of the main trade area, it is considered to pose limited competition to Ocean Metro Mall.

**Yihua Department Store**
- Yihua Department Store is also located outside of the main trade area. Though it is considered as the most popular department store in terms of scale and brand recognition, it is still considered to pose only limited competition because of its location and difference of retail format.

7.4.2. Future Competition

There are two good quality retail projects located near Ocean Metro Mall which are expected to be launched in the near future. Based on their location, scale and anticipated positioning, these two projects can be considered as competitors once completed.

**Perfect Eagle Plaza**
- Perfect Eagle Plaza is planned to comprise a total retail GFA of approximately 100,000 sqm. It is expected to operate in a format of shopping mall, with mid-upper positioning and targeting relatively high-income consumers.
- However the competition to Ocean Metro Mall is expected to be limited, given the mall is located outside of the main trade area and has a relatively limited overlap of target consumers with that of Ocean Metro Mall.

**Skyline International Plaza**
- Skyline International Plaza is located about 2km north of Ocean Metro Mall. The mixed-use project is planned to comprise retail, office, residential and service apartment components with a total GFA of approximately 500,000 sqm.
- The project is expected to comprise a shopping mall of approximately 50,000 sqm and is scheduled to be opened in 2018. It is estimated that the shopping mall will have a mid-end positioning and mainly target consumers from its diversified components and residents living nearby.
Given the relatively close location and strong attraction with the synergy from the mixed-use property, Skyline International Plaza has the potential to become a significant competitor to Ocean Metro Mall once completed, although several mitigating factors should be considered (see section 7.5 below).

7.5. Market & Rental Growth Outlook for the Mall

Overall, the average ground floor rental of RMB 143.41 per sqm per month as at June 2016, excluding multiple floor tenants. The rental level is relatively low in the overall context of the city, but reflects the areas emerging status at present.

The property’s overall WALE of 11.87 years as at June 2016 is relatively long, suggesting a minimal amount of market risk in the medium to long-term.

Most of the non-anchor tenant leases contain a rental escalation clause that provides for an annual adjustment, typically between 7% and 10%. This can be expected to be beneficial for the cash flow of the property in the medium to long-term.

Competition from other malls is currently considered limited within the trade area, and only one significant competitor is expected to be launched in the next several years – Skyline International Plaza. Ocean Metro Mall is considered to be relatively well situated to combat the competitive impacts of Skyline International Plaza due to several factors including:

- Ocean Metro Mall has “first mover” status in the primary trade area and is well on its way to establishing its consumer base.
- Ocean Metro Mall has a relatively long length WALE of 11.87 years which serves to significantly mitigate potential impacts to the property’s rental income.
- Ocean Metro Mall’s occupancy level has risen since its launch to its current level of 99.45%, including several established anchor tenants which serve to drive footfall to the property.
8. DASIN E-COLOUR PROPERTY OVERVIEW

8.1. Location & Accessibility

Figure 65: Accessibility of Dasin E-Colour

Source: Map data ©2015 Google, CBRE

8.2. Property Description

Dasin E-Colour is located in Shiqi District, on the eastern side of Longteng Road, approximately 150 meters from the intersection of Longteng Road and Fukang Road within the core urban area of Zhongshan.

Kanghua Road is the main traffic artery connecting east-west in the district, and extends into Haigang District to the northwest of the property. Qiwan Road and Liantang Road are considered the major north-south traffic arteries cutting across the Shiqi District. Longjing Road (where the property is located), and Fukang Road are minor roads serving the immediate area around the property.

In addition to being well served by the road network, the property is also well served by numerous local public bus routes including one stop directly in front of the property.

Accessibility to and from the Dasin E-Colour is therefore considered to be excellent in the local context.
It is understood that Dasin E-Colour was acquired by Dasin at the end 2013 and re-opened in 2015. It comprises a total NLA of 12,638 sqm. The property has 9 floors above ground, with no below ground level floors. The property does not have any car park spaces.

The property was previously a furniture mall, which was been converted into a shopping mall during renovations and repositioning by Dasin. At present, the exterior appears to be in good condition and well maintained. A recent picture of the building exterior is provided below.

Figure 66: External Image

The property is basically designed in a rectangular racetrack layout, although some smaller shops on some floors are arranged in a grid pattern off the main portion of the mall. As the property was repositioned within an existing structure, some design constraints are evident and the mall has a compact feel.

As at June 2016, the property has approximately 45 tenants, including anchor tenants such as an internet café and cinema. The average shop size is approximately 236 sqm excluding the large anchors, although the sizes vary significantly from around 10 square meters to over 2000 square meters.

Vertical integration of the various levels is provided by escalators and elevators located on either side of core area of the mall.

The following table shows the basic trade mix by floor.

Figure 67: Overall Trade Mix

<table>
<thead>
<tr>
<th>Floor</th>
<th>Trade-mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>Retail, Fashion, F&amp;B</td>
</tr>
<tr>
<td>Level 2</td>
<td>Retail, Cosmetics and Accessories, F&amp;B</td>
</tr>
<tr>
<td>Level 3</td>
<td>Bookstore, Café, Entertainment</td>
</tr>
<tr>
<td>Level 4</td>
<td>F&amp;B</td>
</tr>
<tr>
<td>Level 5</td>
<td>F&amp;B</td>
</tr>
<tr>
<td>Level 6</td>
<td>Internet Café, Gym</td>
</tr>
<tr>
<td>Level 7</td>
<td>KTV/Entertainment</td>
</tr>
</tbody>
</table>
As at June 2016, the average base rental in the entire property was RMB 72.70 per sqm per month, and the weighted average lease expiry (WALE) was 4.97 years. The internet café and cinema and are subject to longer lease terms and relatively low rental levels.

As of the same date, the property was 92.79% occupied.

As provided by Dasin, estimated daily footfall patterns are shown in the table below, indicating that the property draws significantly more consumers during weekend and holiday periods. Relatively low footfall as compared with other properties in the trust is attributed to the relatively small scale of the property and that it has yet to fully establish itself in the local market. It is noted however, that according to data provided by Dasin, annual footfall has increased by 10.3% in the past 12 months.

![Figure 68: Estimated Annual Footfall Patterns for Dasin E-Colour](image)

<table>
<thead>
<tr>
<th>Property</th>
<th>Weekdays ('000)</th>
<th>Weekends ('000)</th>
<th>Public Holidays ('000)</th>
<th>Total Annual Estimated Footfall ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dasin E-Colour</td>
<td>2,049</td>
<td>1,200</td>
<td>586</td>
<td>3,835</td>
</tr>
</tbody>
</table>

Source: Dasin

40 WALE by committed NLA as at 30 June 2016, provided by Dasin
8.3. Trade Area Analysis

8.3.1. Trade Area Definition

Figure 69: Primary and Secondary Trade Area

<table>
<thead>
<tr>
<th>Marker</th>
<th>Name</th>
<th>Marker</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>University of Electronic Science and Technology</td>
<td>8</td>
<td>Lianxing Hotel</td>
</tr>
<tr>
<td></td>
<td>of China (Zhongshan Institute)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Lianfeng Hill</td>
<td>9</td>
<td>Hengji Garden</td>
</tr>
<tr>
<td>3</td>
<td>Shiqi Wenhua Park</td>
<td>10</td>
<td>Dongming Garden</td>
</tr>
<tr>
<td>4</td>
<td>Wuma Hills</td>
<td>11</td>
<td>Xincheng Haoting</td>
</tr>
<tr>
<td>5</td>
<td>Zhongshan Municipal Government</td>
<td>12</td>
<td>Yongyi Haoting</td>
</tr>
<tr>
<td>6</td>
<td>Fenghua 28 Plaza</td>
<td>13</td>
<td>Yuhuayuan</td>
</tr>
<tr>
<td>7</td>
<td>Zhongyi International</td>
<td>14</td>
<td>Mushan Park</td>
</tr>
<tr>
<td>15</td>
<td>Warehouses</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Not to Scale, Location of Properties are Approximate  
Source: Map data ©2015 Google, CBRE
Primary Trade Area Definition:
Considering the scale, trade mix, and target consumers of Dasin E-Colour, the primary trade area has been defined as a 500 m radius surrounding the mall plus the University of Electronic Science and Technology of China (Zhongshan Institute), covering a total of approximately 0.99 sq km. The following considerations were made when defining the primary trade area:

- Dasin E-Colour is a mid-end positioned community mall mainly targeting at the nearby university students and staff, as well as residents nearby.
- It has 9 floors above ground with total GFA of approximately 25,857 sqm. Dasin E-Colour has a considerable allocation to F&B, lifestyle stores, and entertainment facilities such as a food court on the 5th floor, internet cafe and gym on the 6th floor, and a KTV and cinema on the 7th and 8th floor respectively. These retailers are mid-end positioned and affordable to students.
- The trade mix and brand variety in Dasin E-Colour are relatively limited. A 500 m distance is considered a reasonable travelling distance for daily shopping and dining considering the property’s scale and target market.

Primary Trade Area Key Characteristics:
- The southwestern portion of the primary trade area is the university, located just 30 meters on the opposite side of Longjing Road, with estimated 20,000 students and staff in total. It covers approximately 0.4 sq km including a large green space.
- The northern portion of the primary trade area is characterized by relatively low population density due to a concentration of low-rise residential communities.
- The eastern portion of the primary trade area has slightly higher population density given several high-rise residential projects.
- Dasin E-Colour experiences seasonality in terms of footfall given that during the school holiday period, footfall will largely decline as many students will leave school.

Secondary Trade Area Definition:
The secondary catchment is defined as 1 km radius circling surrounding Dasin E-Colour. The following considerations were taken into account when defining the secondary trade area:

- As explained above, current positioning of Dasin E-Colour is mainly targeting at students and nearby residents. Dasin Shiqi Metro Mall and Holiday Plaza are located approximately 1 km west and south of Dasin E-Colour respectively. They provide broader selection of products and services. People living outside of the secondary trade area are less likely to travel to Dasin E-Colour particularly given its limited choices and lacking differentiation in products and services at present. 1km is still a reasonable walking distance for residents nearby to eat or shop for daily needs.
- Dasin E-Colour is a new mall opened in 2015 and yet to reach maturity. Tenants of its top floors are still under fit-out and have yet to open for business. Many local residents do not know this project well as of yet which has also put some limitations on its catchment area.
Secondary Trade Area Key Characteristics:

- The secondary trade area is a relatively mature residential area in Zhongshan. There are only a few new projects coming online recently.

- The eastern portion of the secondary trade area is characterized by low density given its large concentration of low-rise apartments and numerous low-quality street front shops. Several warehouses are located in the northeastern corner of the secondary trade area, while Mushan Park is located in the southeastern corner.

- The northern, western and southern portion of the secondary trade area has a relatively higher population density and more mature commercial environment including several good grade office buildings, retail malls and hotels. These include Fenghua 28 Plaza office building in the west, Zhongyi International office in the north, Holiday Plaza retail mall in the south, Shiqi Metro Mall in the west, and Hengji Department store in the north.

### 8.3.2. Trade Area Population & Retail Spending

Figure 70: Estimated Population, Retail Sales, Disposable Income and Consumption Expenditure

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2015</th>
<th>2018F</th>
<th>CAGR (08-15)</th>
<th>CAGR (15-18)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Estimated Population</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary Trade Area</td>
<td>26,900</td>
<td>27,137</td>
<td>27,799</td>
<td>0.1%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Secondary Trade Area</td>
<td>33,620</td>
<td>34,775</td>
<td>37,999</td>
<td>0.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Main Trade Area</strong></td>
<td><strong>60,520</strong></td>
<td><strong>61,912</strong></td>
<td><strong>65,798</strong></td>
<td><strong>0.3%</strong></td>
<td><strong>2.1%</strong></td>
</tr>
<tr>
<td>Zhongshan Overall</td>
<td>2,819,500</td>
<td>3,209,600</td>
<td>3,507,217</td>
<td>1.9%</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Estimated Retail Sales (RMB Billion)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary Trade Area</td>
<td>0.39</td>
<td>0.80</td>
<td>1.06</td>
<td>10.9%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Secondary Trade Area</td>
<td>0.84</td>
<td>1.73</td>
<td>2.31</td>
<td>10.9%</td>
<td>10.0%</td>
</tr>
<tr>
<td><strong>Main Trade Area</strong></td>
<td><strong>1.23</strong></td>
<td><strong>2.53</strong></td>
<td><strong>3.37</strong></td>
<td><strong>10.9%</strong></td>
<td><strong>10.0%</strong></td>
</tr>
<tr>
<td>Zhongshan Overall</td>
<td>48.03</td>
<td>107.97</td>
<td>143.71</td>
<td>12.3%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

| **Estimated Annual Disposable Income per Capita** |        |        |        |              |              |
| Primary Trade Area   | 20,482 | 33,926 | 42,737 | 7.5%        | 8.0%         |
| Secondary Trade Area | 32,340 | 53,568 | 67,480 | 7.5%        | 8.0%         |
| **Main Trade Area**  | **27,069** | **44,959** | **57,027** | **7.5%** | **8.2%** |
| Zhongshan Overall    | 21,560 | 35,712 | 43,052 | 7.5%        | 6.4%         |

| **Estimated Annual Expenditure per Capita** |        |        |        |              |              |
| Primary Trade Area   | 26,950 | 44,640 | 56,234 | 7.5%        | 8.0%         |
| Secondary Trade Area | 25,302 | 36,491 | 47,236 | 5.4%        | 9.0%         |
| **Main Trade Area**  | **26,035** | **40,063** | **51,037** | **6.4%** | **8.4%** |
| Zhongshan Overall    | 16,868 | 24,327 | 28,074 | 5.4%        | 4.9%         |

*Main trade area is the primary trade area plus the secondary trade area

Source: Zhongshan Statistics Bureau, CBRE
Current and Forecast Resident Population
As at 2015, Zhongshan has total resident population of 3.21 million. It is estimated that the primary trade area has a total resident population of 27,137 residents and secondary trade area has a total of 34,775 residents. In total, the main trade area contains approximately 1.9% of Zhongshan’s total population.

Between 2008 and 2015, Zhongshan’s population increased at a CAGR of 1.9%. Over the same period, the population of main trade area increase at a CAGR of 0.3%.

Looking forward, it is estimated that between 2015 and 2018, the population of the primary trade area will increase at a CAGR of 0.8%, reaching 27,799 residents by 2018. Over the same period, it is estimated that the secondary trade area will increase at a CAGR of 3.0%, reaching 37,999 residents by 2018. By 2018, total resident population within the primary and secondary trade areas is estimated to reach 65,798, an increase of 6.3% from present resident population levels.

The increase in future population is partly driven by: i) government planning and development, ii) increasing supply of residential communities and higher density residential, and iii) improvement in infrastructure development and continued urbanization.

Retail Sales
Retail sales in Zhongshan reached RMB 107.97 billion in 2015, growing at a CAGR of 12.3% from 2008. In 2015, the retail sales within main trade area reached an estimated RMB 2.53 billion, approximately 2.3% of the overall city. Going forward, the main trade area is expected to see retail sales increasing at a CAGR of 10% to RMB 3.37 billion by 2018.

Disposable Income
As at 2015, Zhongshan has an annual disposable income per capita of RMB 35,712. The primary trade area’s annual disposable income as at 2015 is estimated to be RMB 33,926, 5% lower than Zhongshan’s overall average. The secondary trade area’s annual disposable income is estimated to be RMB 53,568.

Looking forward, it is projected that the annual disposable income of the main trade area can reach RMB 57,027 by 2018.

Consumption Expenditure
As at 2015, Zhongshan’s overall annual consumption expenditure, on a per capita basis, reached RMB 24,327. Primary and secondary trade area’s annual consumption expenditure on a per capita basis is estimated to be RMB 44,640 and RMB 36,491, respectively, as at 2015.

Looking forward, it is projected that the primary and secondary trade area’s annual consumption expenditure per capita will reach RMB 56,234 and RMB 47,236 as of 2018, respectively.
8.4. Review of Competitive Environment

Figure 71: Map of Major Existing and Future Competitors

Figure 72: List of Existing and Future Competitive Projects

<table>
<thead>
<tr>
<th>Marker</th>
<th>Name</th>
<th>Developer</th>
<th>Distance from Dasin E-Colour (km)</th>
<th>Retail GFA (sqm)</th>
<th>Completion Date</th>
<th>Competitive Impact</th>
<th>GF Rental (RMB/sqm/month)</th>
<th>Est. Occupancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Holiday Plaza</td>
<td>Huiji Property Group</td>
<td>1.2</td>
<td>30,000</td>
<td>2005</td>
<td>Strong</td>
<td>150-250</td>
<td>98%</td>
</tr>
<tr>
<td>2</td>
<td>Shi Shang Mei Sha Department Store</td>
<td>N/A</td>
<td>0.9</td>
<td>15,000</td>
<td>2009</td>
<td>Limited</td>
<td>N/A</td>
<td>95%</td>
</tr>
<tr>
<td>3</td>
<td>Shiqi Metro Mall*</td>
<td>Dasin</td>
<td>1.0</td>
<td>101,585</td>
<td>2004</td>
<td>None</td>
<td>350-450</td>
<td>99.45%</td>
</tr>
<tr>
<td>4</td>
<td>Perfect Eagle Plaza</td>
<td>Zhongshan Golden Eagle Real Estate Co. Ltd.</td>
<td>1.0</td>
<td>100,000</td>
<td>2018</td>
<td>Limited</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5</td>
<td>Shiqi Metro Mall Phase 2</td>
<td>Dasin</td>
<td>1.0</td>
<td>65,821</td>
<td>2018</td>
<td>None</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Source: CBRE, as of August 2016

*Note: The rent is provided by Dasin as at June 2016
8.4.1. Existing Competition

At present, there are three retail malls located within 1.5 km radius circle of Dasin E-Colour, one of which is Shiqi Metro Mall which cannot be considered as a competitor. While it is managed by the same operator, Shiqi Metro Mall has a distinctly different positioning than Dasin E-Colour. Moreover, Shiqi Metro Mall is supporting the business of Dasin E-Colour by offering promotional activities for Dasin E-Colour in Shiqi Metro Mall. Only Holiday Plaza and Shi Shang Mei Sha Department Store are considered as competitors.

**Holiday Plaza**

- Holiday Plaza is located approximately 1.2 km south away from Dasin E-Colour. As described before, it is a mid-end positioned mall that has broad range of trade mix and brands mainly targeting at younger generations including students. Therefore, it has similar positioning and target consumers as compared with Dasin E-Colour.
- Moreover, it is close to the southern portion of the University of Electronic Science and Technology of China (Zhongshan Institute) and provides students with significantly more choices in terms of products and services.
- Holiday Plaza is considered to pose strong competition to Dasin E-Colour.

**Shi Shang Mei Sha Department Store**

- Shi Shang Mei Sha Department Store is located approximately 0.9 km of Dasin E-Colour. It was previously named Hengji Department store, but was recently taken over by a new operator.
- It is a mid-end positioned department store mainly targeting at nearby residents. Compared to Dasin E-Colour, Shi Shang Mei Sha has much more choices of clothing brands for all age groups, while it offers significantly fewer entertainment and F&B stores.
- Due to different positioning, Shi Shang Mei Sha is considered only to pose limited competition to Dasin E-Colour.

8.4.2. Future Competition

Based on current information in the market, two projects are planned to be launched within a 1.5 km distance from Dasin E-Colour between 2016 and 2018. Shiqi Metro Mall Phase 2 will serve to compliment Phase 1 and is not considered to be a competitor to Dasin E-Colour. Only Perfect Eagle Plaza is considered as a future competitor:

**Perfect Eagle Plaza**

- The future Perfect Eagle Plaza is located 1.0 km to the south of Dasin E-Colour, at the cross road of Xingzhong Road and Sunwen Road.
- As described before, Perfect Eagle Plaza is planned to be a mid-upper positioned mall targeting at relatively high-income residents. Due to different positioning, we expect Perfect Eagle Plaza will only pose limited direct competition to Dasin E-Colour.
8.5. Market & Rental Growth Outlook

Overall, the average ground floor rental of RMB 100.79 per sqm per month as at June 2016, excluding multiple floor tenants, is lower than the market rental rate of the property’s major competitors.

The property’s overall WALE of 4.97 years as at June 2016, suggest minimal amount of market risk in the short to medium term.

Most of the non-anchor tenant leases contain a rental escalation clause that provides for an annual adjustment, typically between 5% and 8%. This can be expected to be beneficial for the cash flow of the property in the short to medium-term.

Major competition from nearby retail properties is currently limited to Holiday Plaza which has a similar positioning and is located just to the south of the University of Electronic Science and Technology of China (Zhongshan Institute). It therefore is well-located to compete for students and faculty there.

Since the opening of Dasin E-Colour some repositioning exercises have taken place to adapt to local market conditions. The repositioning efforts have resulted in larger average unit sizes and a more diverse consumer base which leverages upon surrounding residents in addition to nearby students. Going forward, similar adjustments to market and competitive conditions may need to be considered in order to maintain and gain market share.
9. SHIQI METRO MALL PROPERTY OVERVIEW

9.1. Location & Accessibility

Figure 73: Accessibility of Shiqi Metro Mall

Source: Map data ©2015 Google, CBRE

9.2. Property Description

The Shiqi Metro Mall property is centrally located in Shiqi District, at the intersection of Daxin South Road and Liantang Road, within the core urban area of Zhongshan.

Kanghua Road is the main traffic artery connecting east-west in the district, and extends into Haigang District to the northwest of the property. Qiwan Road and Liantang Road are considered the major north-south traffic arteries cutting across the district. Daxin South Road, Liantang Road and Liantang Road serve the immediate area around the property.

In addition to being well served by the road network, the property is also well served by numerous local public bus routes including one stop directly in front of the property.

Accessibility to and from the Shiqi Metro Mall is therefore considered to be excellent in the local context.

Shiqi Metro Mall was completed in 2004 and comprises a total NLA of 86,352 sqm. The property has 5 floors above ground and 2 floors below ground. A total of 545 parking spaces are provided for the property, located underground on levels B1 and B2.

Despite the property being more than 10 years old, the exterior remains well-maintained and is kept clean, and appears to have recently undergone refurbishing. A recent picture of the building exterior is provided below.
The property is designed in a rectangular shape with circular atrium in the center, surrounded by a grid format. The central atrium consists of a vaulted glass ceiling allowing plenty of light into the property during the day.

Shops are configured in a loop format around the central atrium, and in a grid format outside the atrium. The vaulted ceiling allows for good lines of sight around the central atrium area into other floors and into the center of the property.

As at June 2016, the property has approximately 163 tenants, including anchor tenants such as RT-Mart, Jane Eyre (furniture mall), Gome, Superior City Department Store, Top KTV, and Jinyi Cinema. The average shop size is approximately 201 sqm excluding the large multi-level anchors, although the sizes vary significantly from just several square meters to over several thousand square meters.

Vertical integration of the various levels is provided by escalators and elevators located on either side of the atrium. Tenants occupying multiple levels also provide vertical integration within their respective areas.

The following table shows the basic trade mix by floor.

<table>
<thead>
<tr>
<th>Floor</th>
<th>Trade-mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basement 2</td>
<td>Carpark</td>
</tr>
<tr>
<td>Basement 1</td>
<td>Carpark, F&amp;B, Electronics, Kids Retail</td>
</tr>
<tr>
<td>Level 1</td>
<td>Department Store, Retail, Electronics, F&amp;B</td>
</tr>
<tr>
<td>Level 2</td>
<td>Department Store, Hypermarket, F&amp;B</td>
</tr>
<tr>
<td>Level 3</td>
<td>Department Store, Hypermarket, Kids Area, Fashion &amp; Accessories</td>
</tr>
<tr>
<td>Level 4</td>
<td>Furniture Mall, KTV</td>
</tr>
<tr>
<td>Level 5</td>
<td>Furniture Mall, Cinema, Entertainment, F&amp;B</td>
</tr>
</tbody>
</table>

Source: Dasin, CBRE
As at June 2016, the average base rental in the entire property was RMB 105.18 per sqm per month, and the weighted average lease expiry (WALE)\(^{41}\) was 5.45 years. The furniture mall, Cinema, and KTV are subject to longer lease terms, with lower rental levels.

As of the same date, the property was 98.80% occupied.

As provided by Dasin, estimated daily footfall patterns are shown in the table below, indicating that the property draws significantly more consumers during weekend and holiday periods. The property draws the highest footfall of all the properties within the Trust, attributed to its mature status in the market and location in the city’s core urban area. It is also noted that, according to data provided by Dasin, annual footfall has increased by 5.8% in the past 12 months.

### Figure 76: Estimated Annual Footfall Patterns for Shiqi Metro Mall

<table>
<thead>
<tr>
<th>Property</th>
<th>Weekdays ('000)</th>
<th>Weekends ('000)</th>
<th>Public Holidays ('000)</th>
<th>Total Annual Estimated Footfall ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shiqi Metro Mall</td>
<td>15,461</td>
<td>9,050</td>
<td>2,650</td>
<td>27,161</td>
</tr>
</tbody>
</table>

Source: Dasin

\(^{41}\) WALE by committed NLA as at 30 June 2016, provided by Dasin
9.3. Trade Area Analysis

9.3.1. Trade Area Definition

Figure 77: Primary and Secondary Trade Area

<table>
<thead>
<tr>
<th>Marker</th>
<th>Name</th>
<th>Marker</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>University of Electronic Science and Technology of China</td>
<td>9</td>
<td>Hengji Garden</td>
</tr>
<tr>
<td></td>
<td>(Zhongshan Institute)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Zhongshan North Railway Station</td>
<td>10</td>
<td>Dongming Garden</td>
</tr>
<tr>
<td>3</td>
<td>Zhongshan Railway Station</td>
<td>11</td>
<td>Qingxi Garden</td>
</tr>
<tr>
<td>4</td>
<td>Wenhua Park</td>
<td>12</td>
<td>Donghua Garden</td>
</tr>
<tr>
<td>5</td>
<td>Yixianhu Park</td>
<td>13</td>
<td>Zhongshan University Hospital</td>
</tr>
<tr>
<td>6</td>
<td>Zhongshan Municipal Government</td>
<td>14</td>
<td>Zhongyi Garden</td>
</tr>
<tr>
<td>7</td>
<td>Tianmingyuan</td>
<td>15</td>
<td>Yuhuayuan</td>
</tr>
<tr>
<td>8</td>
<td>Taojinhaoting</td>
<td>16</td>
<td>Fuwan Garden</td>
</tr>
</tbody>
</table>

Not to Scale, Location of Properties are Approximate
Source: Map data ©2015 Google, CBRE

Primary Trade Area Definition:

Considering the scale and anticipated positioning of Shiqi Metro Mall, the primary trade area has been defined as a 2.0 km radius circle surrounding the property site, covering a total of 12.6 sq km. The following considerations were made when defining the primary trade area:

- Shiqi Metro Mall is a mid-end positioned regional mall with a broad ranging trade mix primarily targeting mid-income households in the Zhongshan core urban area. It is anchored by RT-mart, Superior City Department Store, Jane Eyre (furniture mall). Shiqi Metro Mall draws large amount of footfall, especially from nearby communities. The 2 km
distance takes approximately 30 minutes walking or less than 10 minutes driving. It is considered as a reasonable travelling distance for daily shopping in the local context.

- 2 km west and north of the Shiqi Metro Mall is a river, which also forms a physical boundary of the primary trade area given the residents beyond the river travel less often to the property for daily shopping. 2 km south to the Shiqi Metro Mall is Zhongshan Road, which is one of main roads in Zhongshan that extends from the west to the east.

Primary Trade Area Key Characteristics:

- The western portion of the primary trade area is characterized by relatively low population density due to a concentration of low-rise residential communities, warehouses along the river and some green spaces including Yixianhu Park (with total 190,000 sqm site area), Wenhua Park and Zhongshan Park.

- The southern and eastern portion of the primary trade area is characterized by relatively higher population density due to a concentration of high-rise residential communities, schools and government offices. The University of Electronic Science and Technology of China (Zhongshan Institute) is also located to the southeast of Shiqi Metro Mall and has approximately 20,000 students and staff. Zhongshan Municipal Government is located approximately 2 km away from Shiqi Metro Mall.

Secondary Trade Area Definition:

The secondary catchment area covers the remaining areas of the core urban districts of Shiqi, Donggu, Nanqiu, and Xiqu along with the Torch Hi-tech Industrial Development Zone (THIDZ) and covers a total area of approximately 250.1 sq km. The following considerations were made when defining the secondary trade area:

- The topography of Zhongshan varies considerably, including a largely uninhabited mountainous area to the south of the core urban area. There are also numerous rivers and waterways traversing the city, including through central areas of the city, which serve as physical boundaries and influence geographic consumption patterns.

- Shiqi Metro Mall is a well-established mall with over 10 years operating experience in Zhongshan and having a wide ranging trade mix and products that can accommodate a broad customer group. It has built strong brand awareness towards local residents in the core urban area of the city.

- Prime retail supply in other adjacent districts is still quite limited. Consumers still need to travel to Shiqi where a large proportion of good quality retail malls in Zhongshan are concentrated for proper shopping. Together with other shopping malls nearby such as Holiday Plaza, Lihe Plaza and Yihua Department Store, the existing retail mass in Shiqi provides customers wider choices and a more mature shopping environment.

- Residents living outside of the core urban areas travel less often to city center for shopping due to distance and traffic congestion. Population density and purchasing power in those areas are also comparatively low.
Secondary Trade Area Key Characteristics:

- The secondary trade area covers most of the core urban area of Zhongshan which comprises a large concentration of office, high-rise residential and retail projects. Population density and purchasing power within the secondary trade area are considered relatively high.

- The western portion of the secondary trade area including Xiqu District and Shiqi District is characterized by high population density, approximately 3,900 and 8,100 persons per sq km respectively. Xiqu District is the traditional logistics and commercial trade center. It has large concentration of hotels and lower quality retail facilities. Shiqi District is the commercial and cultural center of Zhongshan, having several established retail areas within the district.

- The central portion of the secondary trade area is mostly comprised of Dongqu District, which is characterized by lower population density due to green space in the southeast portion, although purchasing power for residents here is relatively high. Dongqu District is also well known considering its concentration of good grade office buildings that are mostly occupied by financial, professional services and information technology companies.

- The eastern portion of the secondary trade area comprised of THIDZ and is characterized by a large concentration of high-technology companies employing well-educated staff. Development of high-rise residential projects in the area is also significant.
9.3.2. Trade Area Population & Retail Spending

Figure 78: Estimated Population, Retail Sales, Disposable Income and Consumption Expenditure

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2015</th>
<th>2018F</th>
<th>CAGR (08-15)</th>
<th>CAGR (15-18)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Estimated Population</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary Trade Area</td>
<td>98,134</td>
<td>101,506</td>
<td>110,918</td>
<td>0.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Secondary Trade Area</td>
<td>569,863</td>
<td>689,712</td>
<td>723,938</td>
<td>2.8%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Main Trade Area*</td>
<td>667,997</td>
<td>791,218</td>
<td>834,856</td>
<td>2.4%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Zhongshan Overall</td>
<td>2,819,500</td>
<td>3,209,600</td>
<td>3,507,217</td>
<td>1.9%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Estimated Retail Sales (RMB Billion)</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Trade Area</td>
<td>4.91</td>
<td>10.12</td>
<td>13.47</td>
<td>10.9%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Secondary Trade Area</td>
<td>11.82</td>
<td>25.66</td>
<td>34.20</td>
<td>11.7%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Main Trade Area</td>
<td>16.73</td>
<td>35.77</td>
<td>47.66</td>
<td>11.5%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Zhongshan Overall</td>
<td>48.03</td>
<td>107.97</td>
<td>143.71</td>
<td>12.3%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Estimated Annual Disposable Income per Capita</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Trade Area</td>
<td>32,340</td>
<td>53,568</td>
<td>67,480</td>
<td>7.5%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Secondary Trade Area</td>
<td>22,406</td>
<td>37,113</td>
<td>45,551</td>
<td>7.5%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Main Trade Area</td>
<td>23,865</td>
<td>39,224</td>
<td>48,465</td>
<td>7.4%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Zhongshan Overall</td>
<td>21,560</td>
<td>35,712</td>
<td>43,052</td>
<td>7.5%</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Estimated Annual Expenditure per Capita</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Trade Area</td>
<td>25,302</td>
<td>36,491</td>
<td>47,236</td>
<td>5.4%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Secondary Trade Area</td>
<td>17,530</td>
<td>25,281</td>
<td>31,886</td>
<td>5.4%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Main Trade Area</td>
<td>18,672</td>
<td>26,719</td>
<td>33,925</td>
<td>5.3%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Zhongshan Overall</td>
<td>16,868</td>
<td>24,327</td>
<td>28,074</td>
<td>5.4%</td>
<td>4.9%</td>
</tr>
</tbody>
</table>

* Main trade area is the primary trade area plus the secondary trade area

Source: Zhongshan Statistics Bureau, CBRE
Current and Forecast Resident Population
As at 2015, Zhongshan has total resident population of 3.21 million. It is estimated that the primary trade area has a total resident population of 101,506 residents and secondary trade area has a total of 689,712 residents. In total, the main trade area contains approximately 24.7% of Zhongshan’s total population.

Between 2008 and 2015, Zhongshan’s population increased at a CAGR of 1.9%. Over the same period, the population of main trade area increase at a CAGR of 2.4%.

Looking forward, it is estimated that between 2015 and 2018, the population of the primary trade area will increase at a CAGR of 3.0%, reaching 110,918 residents by 2018. Over the same period, it is estimated that the secondary trade area will increase at a CAGR of 1.6%, reaching 723,938 residents by 2018. By 2018, total resident population within the primary and secondary trade areas is estimated to reach 834,856, an increase of 5.5% from present resident population levels.

The increase in future population is partly driven by: i) government planning and development, ii) increasing supply of residential communities and higher density residential, and iii) improvement in infrastructure development and continued urbanization.

Retail Sales
Retail sales in Zhongshan reached RMB 107.97 billion in 2015, growing at a CAGR of 12.3% from 2008. In 2015, the retail sales within main trade area reached an estimated RMB 35.77 billion, approximately 33.1% of the overall city. Going forward, the main trade area is expected to see retail sales increasing at a CAGR of 10% to RMB 47.66 billion by 2018.

Disposable Income
As at 2015, Zhongshan has an annual disposable income per capita of RMB 35,712. Primary trade area’s annual disposable income as at 2015 is estimated to be RMB 53,568, 50% higher than Zhongshan’s overall average. The secondary trade area’s annual disposable income is estimated to be RMB 37,113.

Looking forward, it is projected that the primary and secondary trade area’s annual disposable income per capita would reach RMB 67,480 and RMB 45,551, respectively, by 2018.

Consumption Expenditure
As at 2015, Zhongshan’s overall annual consumption expenditure, on a per capita basis, reached RMB 24,327. Primary and secondary trade area’s annual consumption expenditure on a per capita basis is estimated to be RMB 36,491 and RMB 25,521, respectively, as at 2015.

Looking forward, it is projected that the primary and secondary trade area’s annual consumption expenditure per capita will reach RMB 47,236 and RMB 31,886 as of 2018, respectively.
9.4. Review of Competitive Environment

Figure 79: Map of Major Existing and Future Competitors

Source: Map data ©2015 Google, CBRE, not to scale

Figure 80: List of Existing and Future Competitive Projects

<table>
<thead>
<tr>
<th>Marker</th>
<th>Name</th>
<th>Developer</th>
<th>Distance from Shiqi Metro Mall (km)</th>
<th>Retail GFA (sqm)</th>
<th>Completion Date</th>
<th>Competitive Impact</th>
<th>GF Rental (RMB/sqm/mo)</th>
<th>Est. Occupancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lihe Plaza</td>
<td>Lihe International Group Co., Ltd</td>
<td>2.5</td>
<td>130,000</td>
<td>2012</td>
<td>Strong</td>
<td>375-450</td>
<td>85%</td>
</tr>
<tr>
<td>2</td>
<td>Central Power Plaza</td>
<td>Xingzhong Group</td>
<td>2.0</td>
<td>130,060</td>
<td>2013</td>
<td>Moderate</td>
<td>350-450</td>
<td>85%</td>
</tr>
<tr>
<td>3</td>
<td>Holiday Plaza</td>
<td>Huiji Property Group</td>
<td>1.5</td>
<td>30,000</td>
<td>2005</td>
<td>Moderate</td>
<td>150-250</td>
<td>98%</td>
</tr>
<tr>
<td>4</td>
<td>Yihua Department Store</td>
<td>Guangdong Yihua Department Store Co., Ltd.</td>
<td>2.5</td>
<td>50,000</td>
<td>1995</td>
<td>Limited</td>
<td>270-400 / 18% - 23%</td>
<td>90%</td>
</tr>
<tr>
<td>5</td>
<td>Joy City</td>
<td>Zhongshan Mingsheng Real Estate Co.</td>
<td>3.5</td>
<td>160,000</td>
<td>2015</td>
<td>Limited</td>
<td>180-280</td>
<td>60%</td>
</tr>
<tr>
<td>6</td>
<td>AEON</td>
<td>Aeon Tianhe City Commercial Co. Ltd.</td>
<td>4.5</td>
<td>30,000</td>
<td>2015</td>
<td>Limited</td>
<td>N/A</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Perfect Eagle Plaza</td>
<td>Zhongshan Golden Eagle Real Estate Co. Ltd.</td>
<td>1.5</td>
<td>100,000</td>
<td>2018</td>
<td>Moderate</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>8</td>
<td>Ligao Plaza</td>
<td>Zhongshan Aoligao Investment Development Co. Ltd.</td>
<td>2.5</td>
<td>100,000</td>
<td>N/A</td>
<td>Limited</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>9</td>
<td>Huafa Plaza</td>
<td>Huafa Industrial Share Co. Ltd.</td>
<td>2.8</td>
<td>70,000</td>
<td>2019</td>
<td>Moderate</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>10</td>
<td>Skyline International Plaza</td>
<td>Zhan Ying Estate Development Co. Ltd.</td>
<td>4.2</td>
<td>50,000</td>
<td>2018</td>
<td>Limited</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Source: CBRE, as of August 2016
9.4.1. Existing Competition

Prime retail projects outside the Secondary Trade Area are not considered to be direct competitors to Shiqi Metro Mall. At present, there are six prime retail projects within the trade area which can be considered Shiqi Metro Mall’s main existing competitors. These include:

Lihe Plaza

- Lihe Plaza is a mid to mid-upper positioned shopping mall opened in 2012, approximately 2.5 km away from Shiqi Metro Mall.
- Lihe Plaza can be considered as one of the most popular malls in Zhongshan. It enjoys convenient accessibility as well as a mature consumer environment. There is a BRT (Bus Rapid Transport) station in front of Lihe Plaza and several other bus stops nearby. The footfall traffic for Lihe Plaza is relatively high on both weekdays and weekends.
- As a newly opened shopping mall, Lihe Plaza provides a pleasurable shopping experience to consumers. Additionally, Lihe Plaza has a broad ranging trade mix including international fast fashion anchor tenants including H&M and Uniqlo. It has strong brand awareness and attracts the younger generation of consumers.
- Lihe Plaza is considered a relatively strong competitor to Shiqi Metro Mall given its good location and shopping experience. It has quickly built strong customer base and brand awareness since its opening.

Central Power Plaza

- Central Power Plaza is a mid-end positioned mall with total retail GFA of 130,060 sqm composed of three blocks. Block A has 10 floors, of which L1-L2 are anchored by ZARA, L3-L5 are anchored by a KTV, while L6 and above are offices. Block B has 5 floors and anchored by Parkson Department Store. Block C is mostly occupied by F&B and entertainment retailers.
- The mall is located in the old town or traditional commercial area of Zhongshan, approximately 2.0 km southwest of Shiqi Metro Mall. It is adjacent to the mass-market positioned retail street called Sunwenxi Shopping Street, which is a tourism spot in Zhongshan. The Ferris Wheel, which is part of the larger Central Power Plaza project, also helps to attract large amount of footfall including tourists. However, the accessibility to Central Power Plaza is not very convenient due to the poor design and narrow entrance routes into the old town that cause considerable traffic congestion.
- The mall is laid out on an elongated and narrow site of more than 600 m, and consumers need to walk considerable distances from one block to another. It is currently the only good grade retail project in that retail area, and cannot provide consumers one-stop shopping destination. It has the only ZARA in Zhongshan, although based on anecdotal evidence the store has not attracted considerable footfall to the mall, in part due to location.
- Moreover, Central Power Plaza now facing financial pressure according to local market intelligence, which has also led to some difficulties in its leasing process. It is largely occupied by F&B, accessories and supermarket. The anchor tenant, Parkson Department Store, still lacks brand awareness in the local market compared to local department stores.
In spite of its landmark location potential tourist draw, Central Power Plaza presents only moderate competition to Shiqi Metro Mall at present, mainly because of its accessibility and immaturity.

**Holiday Plaza**

- Holiday Plaza is located approximately 1.5 km southeast away from Shiqi Metro Mall. Opened in 2005, and being the first mall in Holiday Plaza retail area, Holiday Plaza has been one of the most well-known shopping malls in Zhongshan. It has 4 floors in total composed of an indoor shopping space and an outdoor retail/F&B street on the ground floor.
- It is mid-end positioned accommodating many local retail brands with small unit sizes, although it is anchored by Uniqlo on the ground floor and PARKnSHOP on the second floor. The mall is undergoing some repositioning to differentiate itself. For example, half of the space of the second floor that was previously occupied by PARKnSHOP has been repositioned to small units of artistic and lifestyle shops.
- However, the facilities and design are lacking in comparison to some of the more modern retail malls in Zhongshan. Holiday plaza is considered to pose moderate competition to Shiqi Metro Mall.

**Yihua Department Store**

- Yihua Department Store is mid to mid-upper positioned and widely considered the most popular department store in Zhongshan. It is located next to Lihe Plaza and targets mid- to high-income consumers in the city.
- It has 20 years history in the local market, which provides a strong brand awareness. It is well maintained and provides the widest choice of mid-upper brands and products. In addition to the department store, the parent company also owns the hotel above the department store.
- Due to different positioning, Yihua Department Store is not considered a major competitor to Shiqi Metro Mall.

**Joy City**

- Joy City is a mid-end positioned mall that was recently opened in Xiqu District, approximately 3.5 km southwest of Shiqi Metro Mall. It is mainly targeting nearby residents in Xiqu District.
- It is anchored by RT-Mart, a cinema and KTV. Joy City also has a sky park in each floor to accommodate strong parking demand. The occupancy rate of the mall is estimated to be approximately 60% at present, as many shops and stores are not opened yet.
- Although it can be expected to party draw some consumers away from Shiqi Metro Mall for daily shopping, the mall is yet to reach maturity and currently poses limited competition to Shiqi Metro Mall. Going forward, as it reaches a more mature status, the competitive threat may be expected to increase to a moderate level.
AEON

- AEON is a relatively new department store opened at the end of 2015. It is located about 4.5km from Shiqi Metro Mall with a total GFA of 30,000 sqm.
- The department store is mid-end positioned mainly targeting residents living nearby. The current footfall of AEON is relatively low, especially on the upper floors.
- Given the relatively small scale, far distance, and different positioning, AEON is considered to pose limited competition to Shiqi Metro Mall.
9.4.2. Future Competition

Based on current information in the market, a total of four retail projects are planned to be launched within the secondary trade area between 2016 and 2019, and can be considered future competitors:

**Perfect Eagle Plaza**
- The future Perfect Eagle Plaza is located 1.5 km to the southeast of Shiqi Metro Mall, at the cross road of Xingzhong Road and Sunwen Road.
- The project is a mixed-use property with estimated total GFA of 500,000 sqm, and is expected to provide 3,000 parking lots.
- According to the development plans, the retail component has 5 floors above ground and 4 floors underground, with total retail GFA of approximately 100,000 sqm. It is expected to operate in a format of shopping mall, with mid-upper positioning and targeting relatively high-income consumers.
- The project is currently under construction and is estimated to be completed by end of 2017 and open for business by early 2018.
- According to information currently available, Perfect Eagle Plaza is expected to have different positioning and likely to pose moderate competition to Shiqi Metro Mall once completed.

**Ligao Plaza**
- Ligao Plaza is the retail component of a mixed-use project developed by a Macau developer Zhongshan Aoligao Development Co. Ltd. It is located 2.5 km southwest away from Shiqi Metro Mall and close to Central Power Plaza.
- According to market intelligence, the retail portion of Ligao Plaza has not started leasing yet. Local intelligence also suggests that Ligao Plaza is likely to be sold strata-title.
- Considering its current status and possible strata-title sales strategy, we expect Ligao Plaza to pose comparatively limited competition to Shiqi Metro Mall in the future.

**Huafa Plaza**
- Huafa Plaza is a mixed-use project located about 2.8km from Shiqi Metro Mall. The total GFA of the project is approximately 200,000 sqm among which 70,000 sqm is planned as retail space. The construction work is currently in early stages and is planned to be finished in 2019.
- Once completed, the retail space is anticipated to target residents living in its residential components and nearby communities. The anticipated competition on Shiqi Metro Mall is expected to be moderate based on the limited information available at this stage.

**Skyline International Plaza**
- As mentioned, Skyline International Plaza is a mixed-use project comprising a shopping mall of around 50,000 sqm. The shopping mall is planned to be opened in 2018 and expected to be mid-end positioned to meet the demand of residents living in its residential component and nearby communities.
• Considering Skyline International Plaza is relatively far from Shiqi Metro Mall and the developer is less experienced than Dasin Group in terms of retail property management, the shopping mall is anticipated to pose limited competition to Shiqi Metro Mall.

9.5. Market & Rental Growth Outlook

Overall, the average ground floor rental of RMB 390.29 per sqm per month as at June 2016, excluding multiple floor tenants, is above the average of the property’s major competitors. This is largely a result of experience retail management, good location with large amount of footfall, strong brand awareness and cooperation with retailers.

The property's overall WALE of 5.45 years as at June 2016 is relatively long, suggesting a minimal amount of market risk in the short to medium term.

Most of the non-anchor tenant leases contain a rental escalation clause which provides for an annual adjustment, typically between 5% and 7%. This can be expected to be beneficial for the cash flow of the property in the short to medium-term.

Despite the increasing level of competition in the Dasin retail area, the impacts on Shiqi Metro Mall are expected to be limited to moderate in the short to medium term due to a number of factors including:

• Shiqi Metro Mall is located in the core area of the city and has an established consumer base given its relatively long period of operation.

• Shiqi Metro Mall has a moderate length WALE of 5.45 which serves to partially mitigate potential impacts to the property’s rental income.

• Shiqi Metro Mall is planning to launch a second phase in 2018 future which is expected to modernize the retail offerings in the area and provide further scale to continue to draw consumers to the property.
APPENDIX I: LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>No.</th>
<th>Abbreviation</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>B2C</td>
<td>Business-to-consumer</td>
</tr>
<tr>
<td>2</td>
<td>BER</td>
<td>Bohai Economic Rim</td>
</tr>
<tr>
<td>3</td>
<td>BIM</td>
<td>Building Information Modelling</td>
</tr>
<tr>
<td>4</td>
<td>BRT</td>
<td>Bus Rapid Transport</td>
</tr>
<tr>
<td>5</td>
<td>C2C</td>
<td>Consumer-to-consumer</td>
</tr>
<tr>
<td>6</td>
<td>CAGR</td>
<td>Compound Annual Growth Rate</td>
</tr>
<tr>
<td>7</td>
<td>CCFA</td>
<td>China Chain Store and Franchise Association</td>
</tr>
<tr>
<td>8</td>
<td>CPC</td>
<td>Communist Party of China</td>
</tr>
<tr>
<td>9</td>
<td>CPI</td>
<td>Consumer Price Index</td>
</tr>
<tr>
<td>10</td>
<td>CR Land</td>
<td>China Resources Land Ltd.</td>
</tr>
<tr>
<td>11</td>
<td>FAI</td>
<td>Fixed Asset Investment</td>
</tr>
<tr>
<td>12</td>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>13</td>
<td>GF</td>
<td>Ground Floor</td>
</tr>
<tr>
<td>14</td>
<td>GFA</td>
<td>Gross Floor Area</td>
</tr>
<tr>
<td>15</td>
<td>GFC</td>
<td>Global Financial Crisis</td>
</tr>
<tr>
<td>16</td>
<td>GMV</td>
<td>Gross Merchandise Value</td>
</tr>
<tr>
<td>17</td>
<td>ICSC</td>
<td>International Council of Shopping Centers</td>
</tr>
<tr>
<td>18</td>
<td>MOHURD</td>
<td>Ministry of Housing and Urban-Rural Development</td>
</tr>
<tr>
<td>19</td>
<td>MTA</td>
<td>Main Trade Area</td>
</tr>
<tr>
<td>20</td>
<td>NBS</td>
<td>National Bureau of Statistics</td>
</tr>
<tr>
<td>21</td>
<td>NDRC</td>
<td>National Development and Reform Commission</td>
</tr>
<tr>
<td>22</td>
<td>NLA</td>
<td>Net Leasable Area</td>
</tr>
<tr>
<td>23</td>
<td>PRD</td>
<td>Pearl River Delta</td>
</tr>
<tr>
<td>24</td>
<td>RRR</td>
<td>Required Reserve Ratios</td>
</tr>
<tr>
<td>25</td>
<td>THIDZ</td>
<td>Torch Hi-tech Industrial Development Zone</td>
</tr>
<tr>
<td>26</td>
<td>WALE</td>
<td>Weighted Average Lease Expiry</td>
</tr>
<tr>
<td>27</td>
<td>YDR</td>
<td>Yangtze River Delta</td>
</tr>
</tbody>
</table>
## APPENDIX II: KEY MACROECONOMIC INDICATORS OF GUANGDONG

Guangdong’s Major Macroeconomic Indicators

<table>
<thead>
<tr>
<th>Major Macro Indicators</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>CAGR (08-15)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal GDP (RMB Billion)</td>
<td>3,680</td>
<td>3,948</td>
<td>4,601</td>
<td>5,321</td>
<td>5,707</td>
<td>6,216</td>
<td>6,779</td>
<td>7,281</td>
<td>10.2%</td>
</tr>
<tr>
<td>Real GDP Growth (%)</td>
<td>10.4</td>
<td>9.7</td>
<td>12.4</td>
<td>10.0</td>
<td>8.2</td>
<td>8.5</td>
<td>7.8</td>
<td>8</td>
<td>9.4</td>
</tr>
<tr>
<td>Nominal GDP per capita (RMB)</td>
<td>37,638</td>
<td>39,436</td>
<td>44,736</td>
<td>50,807</td>
<td>54,095</td>
<td>58,540</td>
<td>63,452</td>
<td>67,503</td>
<td>8.7%</td>
</tr>
<tr>
<td>Annual Disposable Income per capita, Urban (RMB)</td>
<td>19,733</td>
<td>21,575</td>
<td>23,898</td>
<td>26,897</td>
<td>30,227</td>
<td>29,537</td>
<td>32,148</td>
<td>34,757</td>
<td>8.4%</td>
</tr>
<tr>
<td>Consumer Expenditure (RMB Billion)*</td>
<td>1,482</td>
<td>1,625</td>
<td>1,929</td>
<td>2,127</td>
<td>n/a</td>
<td>2,569</td>
<td>2,532</td>
<td>n/a</td>
<td>9.3%</td>
</tr>
<tr>
<td>Consumer Expenditure per capita (RMB)</td>
<td>15,528</td>
<td>16,858</td>
<td>18,490</td>
<td>20,252</td>
<td>22,396</td>
<td>24,133</td>
<td>23,611</td>
<td>n/a</td>
<td>7.2%</td>
</tr>
<tr>
<td>Retail sales (RMB Billion)**</td>
<td>1,277</td>
<td>1,489</td>
<td>1,741</td>
<td>2,025</td>
<td>2,268</td>
<td>2,545</td>
<td>2,847</td>
<td>n/a</td>
<td>14.3%</td>
</tr>
<tr>
<td>Retail sales per capita (RMB)</td>
<td>13,382</td>
<td>15,451</td>
<td>16,696</td>
<td>19,273</td>
<td>21,406</td>
<td>24,133</td>
<td>26,549</td>
<td>n/a</td>
<td>12.1%</td>
</tr>
<tr>
<td>Consumer Price Index (Average % Change)</td>
<td>5.6</td>
<td>-2.3</td>
<td>3.1</td>
<td>5.3</td>
<td>2.8</td>
<td>2.5</td>
<td>2.3</td>
<td>1.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Investment in Fixed Assets (RMB Billion)</td>
<td>1,087</td>
<td>1,293</td>
<td>1,562</td>
<td>1,707</td>
<td>1,875</td>
<td>2,231</td>
<td>n/a</td>
<td>n/a</td>
<td>15.5%</td>
</tr>
<tr>
<td>Utilized Foreign Direct Investment (RMB Billion)**</td>
<td>133.2</td>
<td>133.4</td>
<td>137.1</td>
<td>140,857.6</td>
<td>148.6</td>
<td>153.4</td>
<td>165.5</td>
<td>169.6</td>
<td>3.5%</td>
</tr>
<tr>
<td>Exports of Goods (RMB Billion)**</td>
<td>2,819</td>
<td>2,452</td>
<td>3,067</td>
<td>3,437</td>
<td>3,622</td>
<td>3,912</td>
<td>3,981</td>
<td>4,044</td>
<td>5.3%</td>
</tr>
<tr>
<td>Imports of Goods (RMB Billion)**</td>
<td>1,941</td>
<td>1,722</td>
<td>2,245</td>
<td>2,465</td>
<td>2,587</td>
<td>2,799</td>
<td>2,652</td>
<td>2,380</td>
<td>3.0%</td>
</tr>
<tr>
<td>Exchange Rate (RMB:USD)**</td>
<td>6.95</td>
<td>6.83</td>
<td>6.77</td>
<td>6.46</td>
<td>6.31</td>
<td>6.15</td>
<td>6.16</td>
<td>6.28</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Resident Population (Million)**</td>
<td>95.44</td>
<td>96.38</td>
<td>104.30</td>
<td>105.05</td>
<td>105.94</td>
<td>106.44</td>
<td>107.24</td>
<td>108.49</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

^ Simple Average
^ ^ CAGR of 2008-2014
* calculated based on resident population
** from Guangdong Statistics Bureau
*** Utilized FDI, exports and imports of goods were converted into RMB using annual average exchange rate provided by Oxford Economics
Source: CREIS, Guangdong Statistics Bureau, China Statistics Bureau, Oxford Economics

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APPENDIX III: PROPERTY MAPS

Figure 81: Xiaolan Metro Mall

Not to scale, Location of Properties and Facilities are Approximate
Source: Map data ©2015 Google, CBRE
Figure 82: Ocean Metro Mall

Not to scale. Location of Properties and Facilities are Approximate.

Source: Map data ©2015 Google, CBRE
Figure 83: Dasin E-Colour

Not to scale, Location of Properties and Facilities are Approximate

Source: Map data ©2015 Google, CBRE
Figure 84: Shiqi Metro Mall

Not to scale, Location of Properties and Facilities are Approximate
Source: Map data ©2015 Google, CBRE
## APPENDIX IV: ZHONGSHAN CONNECTIVITY

Figure 85: Zhongshan Metro Line Planning

<table>
<thead>
<tr>
<th>Line Number</th>
<th>Districts passed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gangkou, Shiqi District, Dongqu District, Nanqu District, Dachong District</td>
</tr>
<tr>
<td>2</td>
<td>Xiaolan Town, Dongsheng District, Xiqu District, Shiqi District, Dongqu District, Torch Hi-tech Zone, Nanlang District</td>
</tr>
<tr>
<td>3</td>
<td>Guzhen District, Henglan District, Shaxi District, Shiqi District, Dongqu District</td>
</tr>
<tr>
<td>4</td>
<td>Xiqu District, Shiqi District, Torch New Hi-tech Zone, Nanlang District</td>
</tr>
<tr>
<td>5</td>
<td>Shiqi District, Xiqu District, Dachong District, Banfu District, Sanxiang District, Tanzhou District</td>
</tr>
<tr>
<td>6</td>
<td>Nantou District, Dongfeng District, Xiaolan Town, Guzhen Town</td>
</tr>
<tr>
<td>7</td>
<td>Nantou District, Huangpu District, Sanjiao District, Gankou District, Torch Hi-Tech Zone</td>
</tr>
</tbody>
</table>

Not to scale, Locations are approximate
Source: Zhongshan Government Bureau
Figure B6: Zhongshan Connectivity Map

Not to scale. Locations of stations and routes are approximate.
Source: Map data ©2015 Google, CBRE, Zhongshan Government
LIMITATIONS OF THE REPORT

Use and Reliance

Use of, or reliance upon, this Independent Market Research report for any other purpose other than inclusion in the Prospectus and related marketing materials is not authorized by CBRE, and none of CBRE, nor any of its directors, officers, shareholders, employees or consultants shall be liable for any loss arising from any unauthorized use or reliance. Save for the purposes of the Initial Public Offering of Dasin Retail Trust, this Independent Market Research report should not be reproduced without the express written authority of CBRE.

Assumptions

Assumptions are a necessary part of this report. CBRE may adopt assumptions because some information is not available or falls outside of the scope of our expertise. Whilst assumptions have been adopted based on the careful consideration of factors known as at the date of this document, the risk than any of the assumptions may be incorrect should not be ruled out. CBRE does not warrant or represent that the assumptions on which this report is based are accurate or correct.

Source of Information

The macroeconomic and real estate statistics used in preparing this Independent Market Research report have been principally adopted from the relevant Statistical Bureaus of China and Zhongshan. Where inconsistencies in methodologies of data collection are known to CBRE, they have been indicated in this report. However, CBRE does not warrant or represent that such information or methodologies are accurate or correct.

In addition, certain information contained herein may have been obtained from third-party sources and/or from local market sources in Zhongshan. While reasonable care and diligence has been taken by CBRE in reviewing such information, and while CBRE believes that such sources are generally reliable, CBRE does not warrant or guarantee the accuracy or completeness of such information. To the extent possible, sources of third-party information have been indicated throughout this report, and such information will not be adopted by CBRE as its own, even where used in this report.

Certain details related to the four assets to be included in the Trust have been provided by Zhongshan Dasin Real Estate Co., Ltd. Where appropriate, CBRE has indicated the source of this information, however CBRE does not warrant or represent that such information s is accurate or correct.
Independent Market Research Report for Dasin Retail Trust

Future Matters

Certain information contained herein constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "target," "project," "estimate," "intend," "continue," or "believe," or the negatives thereof or other variations thereof or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance may differ materially from those reflected or contemplated in such forward-looking statements. Although CBRE believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements are based upon reasonable assumptions and expectations, undue reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from what is presented herein.

Name: Wei Qin

Designation: Manager, Investment Advisory Services, CBRE
APPENDIX G

TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION FOR AND ACCEPTANCE OF THE UNITS IN SINGAPORE

Applications are invited for the subscription for the Units at the Offering Price per Unit on the terms and conditions set out below and in the printed application forms to be used for the purpose of the Offering and which forms part of the prospectus (the “Application Forms”) or, as the case may be, the Electronic Applications (as defined below).

Investors applying for the Units in the Offering by way of Application Forms or Electronic Applications are required to pay in Singapore dollars, the Offering Prices per Unit, subject to a refund of the full amount or, as the case may be, the balance of the applications monies (in each case without interest or any share of revenue or other benefit arising therefrom and without any right or claim against the Joint Bookrunners and Underwriters) where (i) an application is rejected or accepted in part only, or (ii) if the Offering does not proceed for any reason.

(1) The minimum initial subscription is for 1,000 Units. You may subscribe for a larger number of Units in integral multiples of 100. Your application for any other number of Units will be rejected.

(2) You may apply for the Units only during the period commencing at 9.00 p.m. on 13 January 2017 and expiring at 12.00 noon on 18 January 2017. The Offering period may be extended or shortened to such date and/or time as the Trustee-Manager may agree with the Sole Financial Adviser, Global Coordinator and Issue Manager and the Joint Bookrunners and Underwriters, subject to all applicable laws and regulations and the rules of the SGX-ST.

(3) (a) Your application for the Units offered in the Public Offer (the “Public Offer Units”) may be made by way of the printed WHITE Public Offer Units Application Forms or by way of Automated Teller Machines (“ATM”) belonging to the Participating Banks (“ATM Electronic Applications”) or the Internet Banking (“IB”) website of the relevant Participating Banks, where available, (“Internet Electronic Applications”), which together with the ATM Electronic Applications and Internet Electronic Applications, shall be referred to as “Electronic Applications”).

(b) Your application for the Units offered in the Placement Tranche (the “Placement Units”) may be made by way of the printed BLUE Placement Units Application Forms (or in such other manner as the Joint Bookrunners and Underwriters may in its absolute discretion deem appropriate).

You may not use your CPF Investible Savings to apply for the Units.

(4) Only one application may be made for the benefit of one person for the Public Offer Units in his own name. Multiple applications for the Public Offer Units will be rejected, except in the case of applications by approved nominee companies where each application is made on behalf of a different beneficiary.

You may not submit multiple applications for the Public Offer Units via the Public Offer Units Application Form, or Electronic Applications. A person who is submitting an application for the Public Offer Units by way of the Public Offer Units Application Form may not submit another application for the Public Offer Units by way of Electronic Applications and vice versa.
A person, other than an approved nominee company, who is submitting an application for the Public Offer Units in his own name should not submit any other applications for the Public Offer Units, whether on a printed Application Form or by way of Electronic Application, for any other person. Such separate applications will be deemed to be multiple applications and shall be rejected.

Joint or multiple applications for the Public Offer Units shall be rejected. Persons submitting or procuring submissions of multiple applications for the Public Offer Units may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, and such applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications (other than as provided herein) will be liable to be rejected at our discretion.

(5) Multiple applications may be made in the case of applications by any person for (i) the Placement Units only (via Placement Units Application Forms or such other form of application as the Joint Bookrunners and Underwriters may in its absolute discretion deem appropriate) or (ii) the Placement Units together with a single application for the Public Offer Units.

(6) Applications from any person under the age of 18 years, undischarged bankrupts, sole proprietors, partnerships, chops or non-corporate bodies, joint Securities Account holders of CDP will be rejected.

(7) Applications from any person whose addresses (furnished in their printed Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Bank, as the case may be) bear post office box numbers will be rejected. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased’s name at the time of the application.

(8) The existence of a trust will not be recognised. Any application by a trustee or trustees must be made in his/her or their own name(s) and without qualification or, where the application is made by way of a printed Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 9 below.

(9) Nominee applications may only be made by approved nominee companies. Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies will be rejected.

(10) If you are not an approved nominee company, you must maintain a Securities Account with CDP in your own name at the time of your application. If you do not have an existing Securities Account with CDP in your own name at the time of application, your application will be rejected (if you apply by way of an Application Form) or you will not be able to complete your application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your CDP Securities Account number or provide an incorrect CDP Securities Account number in your Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected.

(11) Subject to paragraphs 13 to 16 below, your application is liable to be rejected if your particulars such as name, National Registration Identity Card (“NRIC”) or passport number or company registration number, nationality and permanent residence status, and CDP Securities Account number provided in your Application Form, or in the case of an Electronic Application, contained in the records of the relevant Participating Bank at the time of your
Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained by CDP. If you have more than one individual direct Securities Account with CDP, your application shall be rejected.

(12) If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allocation from CDP will be sent to your address last registered with CDP.

(13) This Prospectus and its accompanying documents (including the Application Forms) have not been registered in any jurisdiction other than in Singapore. The distribution of this Prospectus and its accompanying documents (including the Application Forms) may be prohibited or restricted (either absolutely or unless various securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

Without limiting the generality of the foregoing, neither this Prospectus and its accompanying documents (including the Application Forms) nor any copy thereof may be taken, transmitted, published or distributed, whether directly or indirectly, in whole or in part in or into the United States or any other jurisdiction (other than Singapore) and they do not constitute an offer of securities for sale into the United States or any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such an offer. The Units have not been and will not be registered under the Securities Act and may not be offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws. The Units are being offered and sold outside the United States (including institutional and other investors in Singapore) in reliance on Regulation S. There will be no public offer of Units in the United States. Any failure to comply with this restriction may constitute a violation of securities laws in the United States and in other jurisdictions.

The Trustee-Manager reserves the right to reject any application for Units where the Trustee-Manager believes or has reason to believe that such applications may violate the securities laws or any applicable legal or regulatory requirements of any jurisdiction.

No person in any jurisdiction outside Singapore receiving this Prospectus or its accompanying documents (including the Application Form) may treat the same as an offer or invitation to subscribe for any Units unless such an offer or invitation could lawfully be made without compliance with any regulatory or legal requirements in those jurisdictions.

(14) The Trustee-Manager reserves the right to reject any application which does not conform strictly to the instructions or with the terms and conditions set out in this Prospectus (including the instructions set out in the accompanying Application Forms, in the ATMs and IB websites of the relevant Participating Banks or, in the case of an application by way of an Application Form, the contents of which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance.

(15) The Trustee-Manager further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions and terms and conditions set out in this Prospectus (including the instructions set out in the accompanying Application Forms and in the ATMs and IB websites of the relevant Participating Banks, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof. Without prejudice to the rights of the
Trustee-Manager, the Joint Bookrunners and Underwriters, as agent of the Trustee-Manager, has been authorised to accept, for and on behalf of the Trustee-Manager, such other forms of application as the Joint Bookrunners and Underwriters may, in consultation with the Trustee-Manager, deem appropriate.

(16) The Trustee-Manager reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot, any application, without assigning any reason therefor, and none of the Trustee-Manager, nor the Joint Bookrunners and Underwriters will entertain any enquiry and/or correspondence on the decision of the Trustee-Manager. This right applies to applications made by way of Application Forms and by way of Electronic Applications and by such other forms of application as the Joint Bookrunners and Underwriters may, in consultation with the Trustee-Manager, deem appropriate. In deciding the basis of allocation, the Trustee-Manager, in consultation with the Joint Bookrunners and Underwriters, will give due consideration to the desirability of allocating the Units to a reasonable number of applicants with a view to establishing an adequate market for the Units.

(17) In the event that the Trustee-Manager lodges a supplementary or replacement prospectus (“Relevant Document”) pursuant to the Securities and Futures Act or any applicable legislation in force from time to time prior to the close of the Offering, and the Units have not been issued, the Trustee-Manager will (as required by law) at the Trustee-Manager’s sole and absolute discretion either:

(a) within two days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to withdraw your application and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or

(b) within seven days of the lodgement of the Relevant Document, give you a copy of the Relevant Document and provide you with an option to withdraw your application; or

(c) deem your application as withdrawn and cancelled and refund your application monies (without interest or any share of revenue or other benefit arising therefrom) to you within seven days from the lodgement of the Relevant Document.

Any applicant who wishes to exercise his option under paragraphs 17(a) and 17(b) above to withdraw his application shall, within 14 days from the date of lodgement of the Relevant Document, notify the Trustee-Manager whereupon the Trustee-Manager shall, within seven days from the receipt of such notification, return all monies in respect of such application (without interest or any share of revenue or other benefit arising therefrom).

In the event that the Units have already been issued at the time of the lodgement of the Relevant Document but trading has not commenced, the Trustee-Manager will (as required by law) either:

(i) within two days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to return to the Trustee-Manager the Units which you do not wish to retain title in and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or

(ii) within seven days from the lodgement of the Relevant Document, give you a copy of the Relevant Document and provide you with an option to return the Units which you do not wish to retain title in; or
(iii) deem the issue as void and refund your payment for the Units (without interest or any share of revenue or other benefit arising therefrom) within seven days from the lodgement of the Relevant Document.

Any applicant who wishes to exercise his option under paragraphs 17(i) and 17(ii) above to return the Units issued to him shall, within 14 days from the date of lodgement of the Relevant Document, notify the Trustee-Manager of this and return all documents, if any, purporting to be evidence of title of those Units, whereupon the Trustee-Manager shall, within seven days from the receipt of such notification and documents, pay to him all monies paid by him for the Units without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the Units issued to him shall be deemed to be void.

Additional terms and instructions applicable upon the lodgement of the Relevant Document, including instructions on how you can exercise the option to withdraw, may be found in such Relevant Document.

(18) The Units may be reallocated between the Placement Tranche and the Public Offer for any reason, including in the event of excess applications in one and a deficit of applications in the other at the discretion of the Sole Financial Adviser, Global Coordinator and Issue Manager, in consultation with the Trustee-Manager, subject to any applicable laws.

(19) There will not be any physical security certificates representing the Units. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Offering, and subject to the submission of valid applications and payment for the Units, a statement of account stating that your Securities Account has been credited with the number of Units allocated to you. This will be the only acknowledgement of application monies received and is not an acknowledgement by the Trustee-Manager. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renouncee any instrument of transfer and/or other documents required for the issue or transfer of the Units allocated to you. This authorisation applies to applications made both by way of Application Forms and by way of Electronic Applications.

(20) You irrevocably authorise CDP to disclose the outcome of your application, including the number of Units allocated to you pursuant to your application, to the Trustee-Manager, the Joint Bookrunners and Underwriters and any other parties so authorised by CDP, the Trustee-Manager, and/or the Joint Bookrunners and Underwriters.

(21) Any reference to “you” or the “Applicant” in this section shall include an individual, a corporation, an approved nominee company and trustee applying for the Units by way of an Application Form or by way of Electronic Application or by such other manner as the Joint Bookrunners and Underwriters may, in its absolute discretion, deem appropriate.

(22) By completing and delivering an Application Form and, in the case of: (i) an ATM Electronic Application, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key on the ATM, (ii) in the case of an Internet Electronic Application, by clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other button on the IB website screen, you:

(a) irrevocably agree and undertake to purchase the number of Units specified in your application (or such smaller number for which the application is accepted) at the Offering Price and agree that you will accept such number of Units as may be allocated to you, in each case on the terms of, and subject to the conditions set out in, the Prospectus and its accompanying documents (including the Application Forms) and the Trust Deed;
(b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Prospectus and its accompanying documents (including the Application Form) and those set out in the IB websites or ATMs of the relevant Participating Banks, the terms and conditions set out in this Prospectus and its accompanying documents (including the Application Forms) shall prevail;

(c) in the case of an application by way of a Public Offer Units Application Form or an Electronic Application, agree that the Offering Price for the Public Offer Units applied for is due and payable to the Trustee-Manager upon application;

(d) in the case of an application by way of a Placement Units Application Form or such other forms of application as the Joint Bookrunners and Underwriters may in its absolute discretion deem appropriate, agree that the Offering Price for the Placement Units applied for is due and payable to the Trustee-Manager upon application;

(e) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by the Trustee-Manager in determining whether to accept your application and/or whether to allocate any Units to you;

(f) (i) consent to the collection, use, processing and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, Securities Account number, share application amount, the outcome of your application (including the number of Public Offer Units allocated to you pursuant to your application) and other personal data ("Personal Data") by the Unit Registrar, CDP, Securities Clearing Computer Services (Pte) Ltd ("SCCS"), the SGX-ST, the Participating Banks, the Trustee-Manager, the Joint Bookrunners and Underwriters and/or other authorised operators (the "Relevant Parties") for the purpose of the processing of your application for the Public Offer Units, and in order for the Relevant Parties to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes") and warrant that such Personal Data is true, accurate and correct, (ii) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Parties, you have obtained the prior consent of such beneficial owner(s) for the collection, use, processing and disclosure by the Relevant Parties of the Personal Data of such beneficial owner(s) for the Purposes, (iii) agree that the Relevant Parties may do anything or disclose any Personal Data or matters without notice to you if the Joint Bookrunners and Underwriters considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body, and (iv) agree that you will indemnify the Relevant Parties in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant Parties shall be entitled to enforce this indemnity (collectively, the "Personal Data Privacy Terms");

(g) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of the Trustee-Manager nor the Joint Bookrunners and Underwriters will infringe any such laws as a result of the acceptance of your application;

(h) agree and confirm that you are outside the United States; and

(i) understand that the Units have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from or in a transaction not
subject to the registration requirements of the Securities Act and applicable state securities laws. There will be no public offer of the Units in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.

(23) Acceptance of applications will be conditional upon, among others, the Trustee-Manager being satisfied that:

(a) permission has been granted by the SGX-ST to deal in and for the quotation of all of the (i) the Aqua Wealth Units, (ii) the Sino-Ocean Units, (iii) all Units comprised in the Offering, (iv) the Cornerstone Units and (v) Units which will be issued to the Trustee-Manager from time to time in full or part payment of the Trustee-Manager’s fees on the Main Board of the SGX-ST;

(b) the Underwriting Agreement, referred to in the section on “Plan of Distribution” in this Prospectus, has become unconditional and has not been terminated; and

(c) the Authority has not served a stop order which directs that no or no further Units to which this Prospectus relates be allotted or issued (“Stop Order”). The Securities and Futures Act provides that the Authority shall not serve a Stop Order if all the Units have been issued, sold, and listed for quotation on the SGX-ST and trading in them has commenced.

(24) In the event that a Stop Order in respect of the Units is served by the Authority or other competent authority, and:

(a) the Units have not been issued (as required by law), all applications shall be deemed to be withdrawn and cancelled and the Trustee-Manager shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the date of the Stop Order; or

(b) if the Units have already been issued but trading has not commenced, the issue will (as required by law) be deemed void and the Trustee-Manager shall refund your payment for the Units (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days from the date of the Stop Order.

This shall not apply where only an interim Stop Order has been served.

(25) In the event that an interim Stop Order in respect of the Units is served by the Authority or other competent authority, no Units shall be issued to you until the Authority revokes the interim Stop Order. The Authority is not able to serve a Stop Order in respect of the Units if the Units have been issued and listed on the SGX-ST and trading in them has commenced.

(26) Additional terms and conditions for applications by way of Application Forms are set out in the section “Additional Terms and Conditions for Applications using Printed Application Forms” on pages G-8 to G-10 of this Prospectus.

(27) Additional terms and conditions for applications by way of Electronic Applications are set out in the section “Additional Terms and Conditions for Electronic Applications” on pages G-12 to G-17 of this Prospectus.

(28) All payments in respect of any application for Public Offer Units, and all refunds where (a) an application is rejected or accepted in part only or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.
(29) All payments in respect of any application for Placement Units, and all refunds where (a) an application is rejected or accepted in part only or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.

(30) All refunds where (a) an application is rejected or accepted in part only or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.

(31) No application will be held in reserve.

(32) This Prospectus is dated 13 January 2017. No Units shall be allotted or allocated on the basis of this Prospectus later than six months after the date of this Prospectus.

Additional Terms and Conditions for Applications using Printed Application Forms

Applications by way of an Application Form shall be made on, and subject to the terms and conditions of this Prospectus, including, but not limited to, the terms and conditions set out below, as well as those set out under the section entitled “Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore” on pages G-1 to G-22 of this Prospectus and the Trust Deed.

(1) Applications for the Public Offer Units must be made using the printed WHITE Public Offer Units Application Forms and printed WHITE official envelopes “A” and “B”, accompanying and forming part of this Prospectus.

Applications for the Placement Units must be made using the printed BLUE Placement Units Application Forms (or in such manner as the Joint Bookrunners and Underwriters may in their absolute discretion deem appropriate), accompanying and forming part of this Prospectus.

Without prejudice to the rights of the Trustee-Manager and the Joint Bookrunners and Underwriters, the Joint Bookrunners and Underwriters, as agent of the Trustee-Manager, has been authorised to accept, for and on behalf of the Trustee-Manager, such other forms of application, as the Joint Bookrunners and Underwriters may (in consultation with the Trustee-Manager) deem appropriate.

Your attention is drawn to the detailed instructions contained in the Application Forms and this Prospectus for the completion of the Application Forms, which must be carefully followed. The Trustee-Manager reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus (or, in the case of applications for the Placement Units, followed) which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances.

(2) You must complete your Application Forms in English. Please type or write clearly in ink using BLOCK LETTERS.

(3) You must complete all spaces in your Application Forms except those under the heading “FOR OFFICIAL USE ONLY” and you must write the words “NOT APPLICABLE” or “N.A.” in any space that is not applicable.

(4) Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears on your NRIC (if you have such an identification document) or in your passport and, in the case of a corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your common seal (if any) in accordance with your Constitution or equivalent constitutive documents of the
corporation. If you are a corporate applicant and your application is successful, a copy of your Constitution or equivalent constitutive documents must be lodged with the Unit Registrar. The Trustee-Manager reserves the right to require you to produce documentary proof of identification for verification purposes.

(5) (a) You must complete Sections A and B and sign page 1 of the Application Form.

(b) You are required to delete either paragraph 7(c) or 7(d) on page 1 of the Application Form. Where paragraph 7(c) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).

(c) If you fail to make the required declaration in paragraph 7(c) or 7(d), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.

(6) You (whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Units is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation.

(7) You may apply and make payment for your application for the Units in Singapore currency using only cash. Each application must be accompanied by a cash remittance in Singapore currency for the full amount payable in Singapore dollars of the Offering Price, in respect of the number of Units applied for. The remittance must in the form of a BANKER’S DRAFT or CASHIER’S ORDER drawn on a bank in Singapore, made out in favour of “DRT UNIT ISSUE ACCOUNT” crossed “A/C PAYEE ONLY” with your name, CDP Securities Account number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. No combined Banker’s Draft or Cashier’s Order for different CDP Securities Accounts shall be accepted. Remittances bearing “NOT TRANSFERABLE” or “NON-TRANSFERABLE” crossings will be rejected.

No acknowledgement of receipt will be issued for applications and application monies received.

(8) Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post, in the event of oversubscription for the Units, within 24 hours of the balloting (or such shorter period as the SGX-ST may require), at your own risk. Where your application is rejected or accepted or in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Offering, PROVIDED THAT the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account. If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned to you within three Market Days after the Offering is discontinued.
(9) Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.

(10) By completing and delivering the Application Forms, you agree that:

(a) in consideration of the Trustee-Manager having distributed the Application Form to you and by completing and delivering the Application Form before the close of the Offering:

(i) your application is irrevocable;

(ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom; and

(iii) you represent and agree that you are located outside the United States (within the meaning of Regulation S);

(b) all applications, acceptances or contracts resulting therefrom under the Offering shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

(c) in respect of the Units for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification by or on behalf of the Trustee-Manager and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of the Trustee-Manager;

(d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

(e) reliance is placed solely on information contained in this Prospectus and that none of the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters or any other person involved in the Offering shall have any liability for any information not contained therein;

(f) you accept and agree to the Personal Data Privacy Terms set out in this Prospectus; and

(g) you irrevocably agree and undertake to purchase the number of Units applied for as stated in the Application Form or any smaller number of such Units that may be allocated to you in respect of your application. In the event that the Trustee-Manager decides to allocate any smaller number of Units or not to allocate any Units to you, you agree to accept such decision as final.
Procedures Relating to Applications for the Public Offer Units by Way of Printed Application Forms

(1) Your application for the Public Offer Units by way of printed Application Forms must be made using the WHITE Public Offer Units Application Forms and WHITE official envelopes “A” and “B”.

(2) You must:

(a) enclose the WHITE Public Offer Units Application Form, duly completed and signed, together with correct remittance for the full amount payable at the Offering Price in Singapore currency in accordance with the terms and conditions of this Prospectus and its accompanying documents, in the WHITE official envelope “A” provided;

   (i) write your name and address;

   (ii) state the number of Public Offer Units applied for; and

   (iii) tick the relevant box to indicate form of payment;

(b) SEAL THE WHITE OFFICIAL ENVELOPE “A”;

(c) write, in the special box provided on the larger WHITE official envelope “B” addressed to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, the number of Public Offer Units you have applied for;

(d) insert the WHITE official envelope “A” into the WHITE official envelope “B” and seal the WHITE OFFICIAL ENVELOPE “B”; and

(e) affix adequate Singapore postage on the WHITE official envelope “B” (if dispatching by ordinary post) and thereafter DESPATCH BY ORDINARY POST OR DELIVER BY HAND the documents at your own risk to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, so as to arrive by 12.00 noon on 18 January 2017 or such other date(s) and time(s) as the Trustee-Manager may agree with the Joint Bookrunners and Underwriters. Courier services or Registered Post must NOT be used.

(3) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected. Except for application for the Placement Units where remittance is permitted to be submitted separately, applications for the Public Offer Units not accompanied by any payment or any other form of payment will not be accepted.

(4) ONLY ONE APPLICATION should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.
Procedures Relating to Applications for the Placement Units by Way of Printed Application Forms

(1) Your application for the Placement Units by way of printed Application Forms must be made using the BLUE Placement Units Application Forms.

(2) The completed and signed BLUE Placement Units Application Form and your remittance, in accordance with the terms and conditions of this Prospectus, for the full amount payable at the Offering Price, as the case may be, for each Unit in respect of the number of Placement Units applied for, with your name, CDP Securities Account number and address clearly written on the reverse side, must be enclosed and sealed in an envelope to be provided by you. Your application for Placement Units must be delivered to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, to arrive by 12 noon on 18 January 2017 or such other date(s) and time(s) as the Trustee-Manager may agree with the Joint Bookrunners and Underwriters. Courier services or Registered Post must NOT be used.

(3) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected.

(4) ONLY ONE APPLICATION should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Additional Terms and Conditions for Electronic Applications

Electronic Applications shall be made on and subject to the terms and conditions of this Prospectus, including, but not limited, to the terms and conditions set out below and those under the section “Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore” on pages G-1 to G-22 of this Prospectus, as well as the Trust Deed.

(1) The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks (in the case of ATM Electronic Applications) and the IB website screens of the relevant Participating Banks (in the case of Internet Electronic Applications).

(2) For illustration purposes, the procedures for Electronic Applications for Public Offer Units through ATMs and the IB website of DBS Bank (together the “Steps”) are set out in pages G-18 to G-22 of this Prospectus. The Steps set out the actions that you must take at ATMs or the IB website of DBS Bank to complete an Electronic Application. The actions that you must take at the ATMs or the IB websites of the other Participating Banks are set out on the ATM screens, the IB website screens of the respective Participating Banks. Please read carefully the terms and conditions of this Prospectus and its accompanying documents (including the Application Form), the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.

(3) Any reference to “you” or the “Applicant” in these Additional Terms and Conditions for Electronic Applications and the Steps shall refer to you making an application for Public Offer Units through an ATM of one of the relevant Participating Banks or the IB website of a relevant Participating Bank.

(4) If you are making an ATM Electronic Application:

(a) You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks. An ATM card issued by one Participating Bank cannot be used to apply for Public Offer Units at an ATM belonging to other Participating Banks.
(b) You must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or do not key in your own CDP Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. Using your own CDP Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.

(c) Upon the completion of your ATM Electronic Application, you will receive an ATM transaction slip ("Transaction Record"), confirming the details of your ATM Electronic Application. The Transaction Record is for your retention and should not be submitted with any printed Application Form.

(5) If you are making an Internet Electronic Application:

(a) You must have an existing bank account with, and a User Identification ("User ID") as well as a Personal Identification Number ("PIN") given by, the relevant Participating Bank.

(b) You must ensure that the mailing address of your account selected for the application is in Singapore and you must declare that the application is being made in Singapore. Otherwise, your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time you make the application.

(c) Upon the completion of your Internet Electronic Application through the IB website of the relevant Participating Bank, there will be an on-screen confirmation ("Confirmation Screen") of the application which can be printed out or screen captured by you for your record. This printed record or screen capture of the Confirmation Screen is for your retention and should not be submitted with any printed Application Form.

(6) In connection with your Electronic Application for Public Offer Units, you are required to confirm statements to the following effect in the course of activating the Electronic Application:

(a) that you have received a copy of the Prospectus (in the case of Electronic Applications) and have read, understood and agreed to all the terms and conditions of application for the Public Offer Units and the Prospectus prior to effecting the Electronic Application and agree to be bound by the same;

(b) you accept and agree to the Personal Data Privacy Terms set out in this Prospectus; and

(c) where you are applying for the Public Offer Units, that this is your only application for the Public Offer Units and it is made in your name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key in the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the website screen. By doing so, you shall be treated as signing your confirmation of each of the three statements above. In respect of statement 6(b) above, your confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key in the ATM or clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore,
including Section 47(2) of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars of your account(s) with that Participating Bank to the Relevant Parties.

By making an Electronic Application you confirm that you are not applying for the Public Offer Units as a nominee of any other person and that any Electronic Application that you make is the only application made by you as the beneficial owner. You shall make only one Electronic Application for the Public Offer Units and shall not make any other application for the Public Offer Units whether at the ATMs of any Participating Bank, the IB websites of the relevant Participating Banks or on the Application Forms. Where you have made an application for the Public Offer Units on an Application Form, you shall not make an Electronic Application for the Public Offer Units and vice versa.

(7) You must have sufficient funds in your bank account with your Participating Bank at the time you make your ATM Electronic Application or Internet Electronic Application, failing which such Electronic Application will not be completed. Any Electronic Application which does not conform strictly to the instructions set out in this Prospectus or on the screens of the ATMs or on the IB website of the relevant Participating Bank, as the case may be, through which your Electronic Application is being made, shall be rejected.

(8) You may apply and make payment for your application for the Public Offer Units in Singapore currency in cash only.

You may apply for the Public Offer Units through any ATM or IB website of your Participating Bank (as the case may be) by authorising your Participating Bank to deduct the full amount payable from your bank account(s) with such Participating Bank.

(9) You irrevocably agree and undertake to subscribe for and to accept the number of Public Offer Units applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of such Public Offer Units that may be allocated to you in respect of your Electronic Application. In the event that the Trustee-Manager decides to allocate any lesser number of such Public Offer Units or not to allocate any Public Offer Units to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key in the ATM or clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the Internet screen) of the number of Public Offer Units applied for shall signify and shall be treated as your acceptance of the number of Public Offer Units that may be allocated to you and your agreement to be bound by the Trust Deed.

(10) The Trustee-Manager will not keep any application in reserve. Where your Electronic Application is unsuccessful, the full amount of the application monies will be returned (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank, within 24 hours of the balloting (or such shorter period as the SGX-ST may require) provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account.

Where your Electronic Application is accepted or rejected in full or in part only, the balance of the application monies, as the case may be, will be returned (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank, within 14 Market Days after the close of the Offering provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account.
If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned to you within three Market Days after the Offering is discontinued.

Responsibility for timely refund of application monies (whether from unsuccessful or partially successful Electronic Applications or otherwise) lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any money to you from an unsuccessful or partially successful Electronic Application, to determine the exact number of Public Offer Units, if any, allocated to you before trading the Units on the SGX-ST. None of the SGX-ST, CDP, SCCS, the Participating Banks, the Trustee-Manager, the Sole Financial Adviser, Global Coordinator and Issue Manager and the Joint Bookrunners and Underwriters assumes any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

(11) If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Bank.

(12) Applicants who make ATM Electronic Applications through the ATMs of the following Participating Banks may check the provisional results of their ATM Electronic Applications as follows:

<table>
<thead>
<tr>
<th>Bank</th>
<th>Telephone</th>
<th>Other Channels</th>
<th>Operating Hours</th>
<th>Service expected from</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBS Bank Ltd. (including POSB) (“DBS Bank”)</td>
<td>1800 339 6666 (for POSB account holders) 1800 111 1111 (for DBS account holders)</td>
<td>IB <a href="http://www.dbs.com(1)">http://www.dbs.com(1)</a></td>
<td>24 hours a day</td>
<td>Evening of the balloting day</td>
</tr>
<tr>
<td>Overse-Chinese Banking Corporation Limited (“OCBC”)</td>
<td>1800 363 3333</td>
<td>Phone Banking/ATM/Internet Banking <a href="http://www.ocbc.com(2)">http://www.ocbc.com(2)</a></td>
<td>24 hours a day</td>
<td>Evening of the balloting day</td>
</tr>
<tr>
<td>United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited (“UOB Group”)</td>
<td>1800 222 2121</td>
<td>ATM (Other Transactions ‘IPO Enquiry’)/Internet Banking <a href="http://www.uobgroup.com(3)">http://www.uobgroup.com(3)</a></td>
<td>24 hours a day</td>
<td>Evening of the balloting day</td>
</tr>
</tbody>
</table>

Notes:

(1) Applicants who have made Internet Electronic Applications through the IB websites of DBS Bank may also check the results of their applications through the same channels listed in the table above in relation to ATM Electronic Applications made at the ATMs of DBS Bank.

(2) Applicants who have made Electronic Applications through the ATMs or the Internet Banking website of OCBC may check the results of their applications through OCBC Personal Internet Banking, OCBC ATMs or OCBC Phone Banking services.

(3) Applicants who have made Electronic Applications through the ATMs or the IB website of the UOB Group may check the results of their applications through UOB Personal Internet Banking, UOB ATMs or UOB Phone Banking services.
(13) ATM Electronic Applications shall close at 12.00 noon on 17 January 2017 or such other date(s) and time(s) as the Trustee-Manager may agree with the Joint Bookrunners and Underwriters. All Internet Electronic Applications must be received by 12.00 noon on 17 January 2017, or such other date(s) and time(s) as the Trustee-Manager may agree with the Joint Bookrunners and Underwriters. Internet Electronic Applications are deemed to be received when they enter the designated information system of the relevant Participating Bank.

(14) You are deemed to have irrevocably requested and authorised the Trustee-Manager to:

(a) register the Public Offer Units allocated to you in the name of CDP for deposit into your Securities Account;

(b) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application monies, should your Electronic Application be rejected or if the Offering does not proceed for any reason, by automatically crediting your bank account with your Participating Bank, with the relevant amount within 24 hours after balloting (or such shorter period as the SGX-ST may require), or within three Market Days if the Offering does not proceed for any reason, after the close or discontinuation (as the case may be) of the Offering, PROVIDED THAT the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated unit issue account; and

(c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should your Electronic Application be rejected or accepted in part only, by automatically crediting your bank account with your Participating Bank, at your risk, with the relevant amount within 14 Market Days after the close of the Offering, PROVIDED THAT the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated unit issue account.

(15) You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdown, fires, acts of God and other events beyond the control of the Participating Banks, the Trustee-Manager, the Sole Financial Adviser, Global Coordinator and Issue Manager and the Joint Bookrunners and Underwriters, and if, in any such event the Trustee-Manager, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters, and/or the relevant Participating Bank do not receive your Electronic Application, or any data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against the Trustee-Manager, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters and/or the relevant Participating Bank for any Public Offer Units applied for or for any compensation, loss or damage.

(16) The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. The Trustee-Manager shall reject any application by any person acting as nominee (other than approved nominee companies).

(17) All your particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you must promptly notify your Participating Bank.
(18) You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected. You should promptly inform CDP of any change in address, failing which the notification letter on successful allocation will be sent to your address last registered with CDP.

(19) By making and completing an Electronic Application, you are deemed to have agreed that:

(a) in consideration of the Trustee-Manager making available the Electronic Application facility, through the Participating Banks acting as agents of the Trustee-Manager, at the ATMs and Internet Banking websites of the relevant Participating Banks:

(i) your Electronic Application is irrevocable;

(ii) your Electronic Application, the acceptance by the Trustee-Manager and the contract resulting therefrom under the Public Offer shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts; and

(iii) you represent and agree that you are not located in the United States (within the meaning of Regulations S);

(b) none of CDP, the Trustee-Manager, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters and the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to the Trustee-Manager, or CDP or the SGX-ST due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 15 above or to any cause beyond their respective controls;

(c) in respect of the Public Offer Units for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of the Trustee-Manager and not otherwise, notwithstanding any payment received by or on behalf of the Trustee-Manager;

(d) you will not be entitled to exercise any remedy for rescission for misrepresentation at any time after acceptance of your application;

(e) reliance is placed solely on information contained in this Prospectus and that none of the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners and Underwriters or any other person involved in the Offering shall have any liability for any information not contained therein; and

(f) you irrevocably agree and undertake to subscribe for the number of Public Offer Units applied for as stated in your Electronic Application or any smaller number of such Public Offer Units that may be allocated to you in respect of your Electronic Application. In the event the Trustee-Manager decides to allocate any smaller number of such Public Offer Units or not to allocate any Public Offer Units to you, you agree to accept such decision as final.
Steps for ATM Electronic Applications for Public Offer Units through ATMs of DBS (including POSB ATMs)

Instructions for ATM Electronic Applications will appear on the ATM screens of the respective Participating Bank. For illustration purposes, the steps for making an ATM Electronic Application through a DBS Bank or POSB ATM are shown below. Certain words appearing on the screen are in abbreviated form (“A/C”, “amt”, “appln”, “&”, “I/C”, “No.”, “SGX” and “Max” refer to “Account”, “amount”, “application”, “and”, “NRIC”, “Number”, “the SGX-ST” and “Maximum”, respectively). Instructions for ATM Electronic Applications on the ATM screens of Participating Banks (other than DBS (including POSB)), may differ slightly from those represented below.

Step 1: Insert your personal DBS Bank or POSB ATM Card.

2: Enter your Personal Identification Number.

3: Select “MORE SERVICES”.

4: Select language (for customers using multi-language card).

5: Select “ESA-IPO/Rights Appln/Bonds/SSB/SGS/INVESTMENTS”.

6: Select “ELECTRONIC SECURITIES APPLN (IPOS/BONDS/SECURITIES)”.

7: Read and understand the following statements which will appear on the screen:

- (IN THE CASE OF A SECURITIES OFFERING THAT (I) IS SUBJECT TO A PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE OR, AS THE CASE MAY BE, THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED OR (II) REQUIRES A SIMPLIFIED DISCLOSURE DOCUMENT AND/OR PRODUCT HIGHLIGHTS SHEET TO BE ANNOUNCED OR OTHERWISE DISSEMINATED TO THE SECURITIES MARKET OPERATED BY THE SECURITIES EXCHANGE AT THE TIME THE OFFER IS MADE) THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT (AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT) OR, IF APPLICABLE, A SIMPLIFIED DISCLOSURE DOCUMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) AND/OR PRODUCT HIGHLIGHTS SHEET WHICH CAN BE OBTAINED FROM THE ISSUE MANAGER(S) OR, AS THE CASE MAY BE, THE MANAGER(S) FOR THE OFFER, OR IF APPLICABLE, DBS/POSB BRANCHES IN SINGAPORE AND THE VARIOUS PARTICIPATING BANKS DURING BANKING HOURS, SUBJECT TO AVAILABILITY.

- (IN THE CASE OF A SECURITIES OFFERING THAT (I) IS SUBJECT TO A PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE OR THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED OR (II) REQUIRES A SIMPLIFIED DISCLOSURE DOCUMENT AND/OR PRODUCT HIGHLIGHTS SHEET TO BE ANNOUNCED OR OTHERWISE DISSEMINATED TO THE SECURITIES MARKET OPERATED BY THE SECURITIES EXCHANGE AT THE TIME THE OFFER IS MADE) ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES)
SHOULD READ THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) OR, IF APPLICABLE, A SIMPLIFIED DISCLOSURE DOCUMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) AND/OR PRODUCT HIGHLIGHTS SHEET BEFORE SUBMITTING HIS APPLICATION WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) OR, IF APPLICABLE, A SIMPLIFIED DISCLOSURE DOCUMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE), A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT, AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT HAS BEEN LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE OR, AS THE CASE MAY BE, THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED, WHICH TAKES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS. WHERE APPLICABLE, A COPY OF THE SIMPLIFIED DISCLOSURE DOCUMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) AND/OR PRODUCT HIGHLIGHTS SHEET WHICH ARE AVAILABLE ON OUR WEBSITE HAS BEEN ANNOUNCED OR OTHERWISE DISSEMINATED TO THE SECURITIES MARKET OPERATED BY THE SECURITIES EXCHANGE, WHICH TAKES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS.

• (IN THE CASE OF A SECURITIES OFFERING THAT DOES NOT REQUIRE A PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT TO BE LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE OR THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED AND DOES NOT REQUIRE A SIMPLIFIED DISCLOSURE DOCUMENT AND/OR PRODUCT HIGHLIGHTS SHEET TO BE ANNOUNCED OR OTHERWISE DISSEMINATED TO THE SECURITIES MARKET OPERATED BY THE RELEVANT SECURITIES EXCHANGE) THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) MAY BE MADE IN A NOTICE PUBLISHED IN A NEWSPAPER AND/OR A CIRCULAR/DOCUMENT DISTRIBUTED TO SECURITY HOLDERS. ANYONE WISHING TO ACQUIRE SUCH SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE NOTICE/CIRCULAR/DOCUMENT BEFORE SUBMITTING HIS APPLICATION, WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE NOTICE/CIRCULAR/DOCUMENT.

8: Select “DASINRT” to display details.

9: Press the “ENTER” key to acknowledge:

• YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF THE APPLICATION AND (WHERE APPLICABLE) THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT/SIMPLIFIED DISCLOSURE DOCUMENT/PRODUCT HIGHLIGHTS SHEET, REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT/SIMPLIFIED DISCLOSURE DOCUMENT/PRODUCTS HIGHLIGHT SHEET AND/OR NOTICE CIRCULAR.
• FOR THE PURPOSES OF FACILITATING YOUR APPLICATION, YOU CONSENT TO THE BANK COLLECTING AND USING YOUR NAME, NRIC/PASSPORT NUMBER, ADDRESS, NATIONALITY, CDP SECURITIES ACCOUNT NUMBER, CPF INVESTMENT ACCOUNT NUMBER, APPLICATION DETAILS AND OTHER PERSONAL DATA AND DISCLOSING THE SAME FROM OUR RECORDS TO SHARE REGISTRARS OF SECURITIES OF THE ISSUER, SGX, CDP, CPF, ISSUER/VENDOR(S) AND ISSUE MANAGER(S).

• THIS APPLICATION IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.

• FOR FIXED AND MAXIMUM PRICE SECURITIES APPLICATION, THIS IS YOUR ONLY APPLICATION AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.

• THE MAXIMUM PRICE FOR EACH SECURITY IS PAYABLE IN FULL ON APPLICATION AND SUBJECT TO REFUND IF THE FINAL PRICE IS LOWER.

• FOR TENDER SECURITIES APPLICATION, THIS IS YOUR ONLY APPLICATION AT THE SELECTED TENDER PRICE AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.

• YOU ARE NOT A US PERSON AS REFERRED TO IN (WHERE APPLICABLE) THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT/SIMPLIFIED DISCLOSURE DOCUMENT/PRODUCT HIGHLIGHTS SHEET, REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT/SIMPLIFIED DISCLOSURE DOCUMENT AND/OR NOTICE/CIRCULAR.

• THERE MAY BE A LIMIT ON THE MAXIMUM NUMBER OF SECURITIES THAT YOU CAN APPLY FOR. SUBJECT TO AVAILABILITY, YOU MAY BE ALLOTED/ALLOCATED A SMALLER NUMBER OF SECURITIES THAN YOU APPLIED FOR.

10: Select your nationality.

11: Select the DBS Bank account (Autosave/Current/Savings/Savings Plus) or the POSB account (Current/Savings) from which to debit your application monies.

12: Enter the number of securities you wish to apply for using cash.

13: Enter or confirm (if your CDP Securities Account number has already been stored in DBS’s records) your own 12-digit CDP Securities Account number (Note: This step will be omitted automatically if your Securities Account Number has already been stored in DBS’s records).

14: Check the details of your securities application, your CDP Securities Account number, number of securities and application amount on the screen and press the “ENTER” key to confirm your application.

15: Remove the Transaction Record for your reference and retention only.
Steps for Internet Electronic Application for Public Offer Units through the IB Website of DBS Bank

For illustrative purposes, the steps for making an Internet Electronic Application through the DBS IB website are shown below. Certain words appearing on the screen are in abbreviated form (“A/C”, “&”, “amt”, “I/C” and “No.” refer to “Account”, “and”, “Amount”, “NRIC” and “Number”, respectively).

Step 1: Click on DBS website (www.dbs.com).

2: Login to Internet banking.

3: Enter your User ID and PIN.

4: Enter your DBS iB Secure PIN.

5: Select “Electronic Security Application (ESA)”.

6: Click “Yes” to proceed and to warrant, among others, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations and that your mailing address for DBS Internet Banking is in Singapore and that you are not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, amended).

7: Select your country of residence and click “Next”.

8: Click on “DASINRT” and click “Next”.

9: Click on “Next” to confirm, among others:

- You have read, understood and agreed to all terms of application set out in the Prospectus/Offer Information Statement/Document/Profile Statement and if applicable, the Supplementary or Replacement Prospectus/Offer Information Statement/Document/Profile Statement.

- For the purposes of facilitating your application, you consent to the Bank collecting and using your name, NRIC/passport number, address, nationality, CDP Securities Account No., securities application amount application details and other personal data and disclosing the same from our records to registrars of securities, SGX, SCCS, CDP, the issuer/vendor(s) and issue manager(s).

- You are not a U.S. Person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended).

- You understand that the securities mentioned herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of any “U.S. person” (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.
• This application is made in your own name and at your own risk.

• For FIXED/MAXIMUM price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.

• For FOREIGN CURRENCY securities, subject to the terms of the issue, please note the following: the application monies will be debited from your bank account in S$, based on the Bank’s prevailing board rates at the time of application. Any refund monies will be credited in S$ based on the Bank’s prevailing board rates at the time of refund. The different prevailing board rates at the time of application and the time of refund of application monies may result in either a foreign exchange profit or loss. Alternatively, application monies may be debited and refunds credited in S$ at the same exchange rate.

• For 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to availability at the point of application.

10: Fill in details for securities application and click “Next”.

11: Check the details of your securities application, your CDP Securities Account No. and click “Confirm” to confirm your application.

12: Print the Confirmation Screen (optional) for your reference and retention only.
LIST OF PRESENT AND PAST PRINCIPAL DIRECTORSHIPS OF DIRECTORS AND EXECUTIVE OFFICERS

The principal directorships, other than those held in the Trustee-Manager, and the principal past directorships in the last five years of each of the directors and executive officers (named in “The Trustee-Manager” of this Prospectus) of the Trustee-Manager are as follows:

(A) Directors of the Trustee-Manager

(1) Zhang Zhencheng

Current Directorships

- Zhongshan Yuanxin Commercial Property Management Co., Ltd. (中山市远信商用物业管理有限公司)
- Zhongshan Xiaolan Dasin Xinduhui Commercial Management Co., Ltd. (中山市小榄大信新都汇商业管理有限公司)
- Zhongshan Yicai Dasin Xinduhui Commercial Management Co., Ltd. (中山市溢彩大信新都汇商业管理有限公司)
- Zhongshan Xinteng Commercial Management Co., Ltd. (中山市信腾商业管理有限公司)
- Zhongshan Xinrui Commercial Management Co., Ltd. (中山市信瑞商业管理有限公司)
- Zhongshan Sheng Xing Property Development Co., Ltd. (中山市盛信房地产开发有限公司)
- Zhongshan Boxin Property Development Co., Ltd. (中山市博信房地产开发有限公司)
- Lan Xin Investments Pte. Ltd.
- Lan Xin Management Pte. Ltd.
- Singapore Dasin Commercial Holdings Pte. Ltd.
- Singapore Dasin Real Estate Holdings Company Pte. Ltd.
- Yi Xin Investments Pte. Ltd.
- Yi Xin Management Pte. Ltd.
- Yuan Xin Investments Pte. Ltd.
- Zhongshan Dasin Rainbow Residential Property Development Co., Ltd. (中山市大信彩虹家园房地产开发有限公司)

Past Directorships (for a period of five years preceding the Latest Practicable Date)

- Zhongshan Dasin Hai An Investments Co., Ltd. (中山市大信海岸投资有限公司)
- Zhongshan Dasin Holdings Co., Ltd. (中山市大信控股有限公司)
- Zhongshan Dasin Shi Ye Investments Co., Ltd. (中山市大信实业投资有限公司)
- Zhongshan Dasin Real Estate Co., Ltd. (中山市大信置业有限公司)
- Zhongshan Dasin Management and Investment Co., Ltd. (中山市大信管理投资有限公司)
- Zhongshan Shaxi Dasin Real Estate Co., Ltd. (中山市沙溪大信置业有限公司)
- Zhongshan Fu Sha Dasin Real Estate Co., Ltd. (中山市阜沙大信置业有限公司)
- Zhongshan Huang Pu Dasin Real Estate Co., Ltd. (中山市黄圃大信置业有限公司)
- Zhongshan Dasin Lighting City Commercial Co., Ltd. (中山市大信灯饰城商业有限公司)
- Zhongshan Dasin Metro-Mall Merchant Investment Co., Ltd. (中山市大信新都汇商业投资有限公司)
- Zhongshan Shiqi Dasin Xinduhui Commercial Management Co., Ltd. (中山市石岐大信新都汇商业管理有限公司)
- Zhongshan Dongfeng Dasin Xinduhui Commercial Management Co., Ltd. (中山市东风大信新都汇商业投资有限公司)
- Zhongshan Xinyue Dasin Xinduhui Commercial Management Co., Ltd. (中山市新悦大信新都汇商业投资有限公司)
- Zhongshan Sheng Xing Investment Management Co., Ltd. (中山市盛信投资管理有限公司)
Current Directorships

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Zhongshan Youyuecheng Store Management Co., Ltd. (中山市优越城百货管理有限公司)
Zhongshan Dasin New Residential Estate Property Development Co., Ltd. (中山市大信新家园房地产开发有限公司)
Zhongshan Dasin Property Development Co., Ltd. (中山市大信海岸房地产开发有限公司)
Zhongshan Xin Tong Property Development Co., Ltd. (中山市信通房地产开发有限公司)
Zhongshan Dongfang Li Cheng Development Co., Ltd. (中山市东方丽城开发有限公司)
Zhongshan Sheng Xing Plating Co., Ltd. (中山市盛兴电镀有限公司)
Zhongshan Dasin Property Investment Co., Ltd. (中山市大信房地产投资有限公司)
Zhongshan Dasin Smart Card Co., Ltd. (中山市大信智能科技有限公司)
Zhongshan Smart Card Co., Ltd. (中山市大信智能科技有限公司)
Zhongshan Western District Dasin Kids Castle Kindergarten (中山市西区大信吉的堡新家园幼儿园)
Zhongshan Dasin Kids Castle Kindergarten (中山市大信吉的堡幼儿园)
Zhongshan Dasin Microfinancing Co., Ltd. (中山市大信小额贷款股份有限公司)
Zhongshan Dasin Hotel Co., Ltd. (中山市大信酒店有限公司)
Zhongshan Sheng Xing Co., Ltd. (中山盛兴股份有限公司)
Zhuhai Xin Ming Yang Investment Co., Ltd. (珠海新名扬投资有限公司)
Zhongshan Dasin Xin He General Merchandise Co., Ltd. (中山市大信恒百货有限公司)
Zhongshan Xin He Commercial Chain Co., Ltd. (中山市信和商业连锁有限公司)
Zhongshan Dasin Xin He Commercial Co., Ltd. (中山市大信恒商业股份有限公司)
Zhongshan Dasin Jia Jia Le Commercial Co., Ltd. (中山市大信家家乐商业股份有限公司)
Zhongshan Hong Chang Property Development Co., Ltd. (中山市鸿昌房地产开发有限公司)
Zhongshan Dongsin Property Investment Co., Ltd. (中山市乐信房地产投资有限公司)
Zhang Zhongming

Current Directorships

Zhongshan Dasin Hai An Investments Co., Ltd. (中山市大信海岸投资有限公司)
Zhongshan Dasin Holdings Co., Ltd. (中山市大信控股有限公司)
Zhongshan Dasin Hotel Co., Ltd. (中山市大信酒店有限公司)
Zhongshan Dasin Management and Investment Co., Ltd. (中山市大信管理投资有限公司)
Zhongshan Dasin Real Estate Co., Ltd. (中山市大信置业有限公司)
Zhongshan Dasin Sheng Xing Investments and Management Co., Ltd. (中山市盛信投资管理有限公司)
Zhongshan Fusha Dasin Real Estate Co., Ltd. (中山市阜沙大信置业有限公司)
Zhongshan Huang Pu Dasin Real Estate Co., Ltd. (中山市黄圃大信置业有限公司)
Zhongshan Shaxi Dasin Real Estate Co., Ltd. (中山市沙溪大信置业有限公司)
Zhongshan Dasin Shi Ye Investments Co., Ltd. (中山市大信实业投资有限公司)
Zhongshan Smart Card Co., Ltd. (中山市中通智能科技有限公司)
Zhongshan Dasin Rong Jian Commercial Investment Co., Ltd. (中山市大信融佳商业投资有限公司)
Zhongshan Nuo Shun Enterprise Management Co., Ltd. (中山市诺顺企业管理有限公司)
Zhongshan Xin He Property Investment Co., Ltd. (中山市大信置业投资有限公司)
Zhongshan Zhi He Property Development Co., Ltd. (中山市置业房地产开发有限公司)
Zhongshan Dasin Microfinancing Co., Ltd. (中山市大信小额贷款有限公司)
Zhongshan Dasin Sheng Xing Investment Co., Ltd. (中山市盛兴投资有限公司)
Zhuhai Yu Ya Qi Zhen Artwork Co., Ltd. (珠海市雅雅奇艺术品有限公司)
Zhongshan Dasin Xin He General Merchandise Co., Ltd. (中山市大信和百货有限公司)
Zhongshan Wealth Creation Property Co., Ltd. (中山市创富置业有限公司)
Zhongshan Commercial Property Management Co., Ltd. (中山市大信商用物业管理有限公司)

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Zhongshan Dasin Food Services Co., Ltd. (中山市大信餐饮服务有限公司)
Zhongshan Guzhen Dasin Food Services Co., Ltd. (中山市古镇大信餐饮服务有限公司)
Zhongshan Yuan Yang Dasin Food Services Co., Ltd. (中山市远洋大信餐饮服务有限公司)
Zhongshan Xinxuan Food Products Co., Ltd. (中山市新轩食品有限公司)
Zhongshan Shiqi Dasin Food Services Co., Ltd. (中山市石岐大信餐饮服务有限公司)
Zhongshan Shi Shang Dasin Food Services Co., Ltd. (中山市时尚大信餐饮服务有限公司)
Zhongshan Shi Xin Food Services Co., Ltd. (中山市新信餐饮服务有限公司)
Zhongshan Ling Xin Food Services Co., Ltd. (中山市领信餐饮服务有限公司)
Zhongshan Dasin Water Products Market Management Co., Ltd. (中山市大信水产品市场管理有限公司)
Zhongshan Qian Xin Food Services Co., Ltd. (中山市千信餐饮服务有限公司)
Zhongshan Hai An Dasin Food Services Co., Ltd. (中山市海岸大信餐饮服务有限公司)
Zhongshan Jia Yu Dasin Food Services Co., Ltd. (中山市佳御大信餐饮服务有限公司)
Zhongshan Harbour Dasin Qian Cui Kindergarden (中山市港口大信芊翠幼儿园)
<table>
<thead>
<tr>
<th>Current Directorships</th>
<th>Past Directorships (for a period of five years preceding the Latest Practicable Date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zhongshan Dasin Cultural Promotion Co., Ltd. (中山市大信文化传播有限公司)</td>
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</tr>
<tr>
<td>Zhongshan Xin Kong Commercial Management Co., Ltd. (中山市信控商业管理有限公司)</td>
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</tr>
<tr>
<td>Zhongshan Dasin Sheng Jia Commercial Investment Co., Ltd. (中山市大信盛佳商业投资有限公司)</td>
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</tr>
<tr>
<td>Zhongshan Yuan Sheng Property Development Co., Ltd. (中山市远昇房地产开发有限公司)</td>
<td></td>
</tr>
<tr>
<td>Zhongshan Xin He Commercial Chain Co., Ltd. (中山市信和商业连锁有限公司)</td>
<td></td>
</tr>
<tr>
<td>Zhongshan Dasin Xin He Commercial Co., Ltd. (中山市大信信和商业投资股份有限公司)</td>
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</tr>
<tr>
<td>Zhongshan Dasin Xin He Commercial Investment Co., Ltd. (中山市大信信和商业投资股份有限公司)</td>
<td></td>
</tr>
</tbody>
</table>

(3) **Sun Shu**

<table>
<thead>
<tr>
<th>Current Directorships</th>
<th>Past Directorships (for a period of five years preceding the Latest Practicable Date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

(4) **Cao Yong**

<table>
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<tr>
<th>Current Directorships</th>
<th>Past Directorships (for a period of five years preceding the Latest Practicable Date)</th>
</tr>
</thead>
</table>
(5) Tan Huay Lim

**Current Directorships**

- Auric Pacific Group Limited
- Hong Leong Asia Ltd.
- Ren Ci Hospital
- Singapore Hokkien Huay Kuan
- China Jinjiang Environment Holding Company Limited (中国锦江环境控股有限公司)

**Past Directorships (for a period of five years preceding the Latest Practicable Date)**

- Singapore Chinese Chamber of Commerce Foundation
- Singapore Hokkien Huay Kuan Cultural Academy Pte. Ltd.
- Sun Yat Sen Nanyang Memorial Hall Company Limited
- Tan Kah Kee Foundation
- The Financial Board of the Singapore Chinese Chamber of Commerce
- The Hokkien Foundation
- Yunnan Realty Pte. Ltd.

(B) Executive Officers of the Trustee-Manager

(1) Yang Bin

**Current Directorships**

- Nil

**Past Directorships (for a period of five years preceding the Latest Practicable Date)**

- Nil

(2) Ng Mun Fai

**Current Directorships**

- Nil

**Past Directorships (for a period of five years preceding the Latest Practicable Date)**

- Nil

(3) Lu Zhiqi

**Current Directorships**

- Nil

**Past Directorships (for a period of five years preceding the Latest Practicable Date)**

- Nil
DASIN RETAIL TRUST

TRUSTEE-MANAGER

Dasin Retail Trust Management Pte. Ltd.
8 Marina Boulevard #14-02
Marina Bay Financial Centre Tower 1
Singapore 018981

SPONSOR

Zhongshan Dasin Real Estate Co., Ltd.
1 Dasin South Road, Shiqi District
Zhongshan City, Guangdong Province, PRC

SOLE FINANCIAL ADVISER, GLOBAL COORDINATOR AND ISSUE MANAGER FOR THE OFFERING

DBS Bank Ltd.
12 Marina Boulevard Level 46
DBS Asia Central @ Marina Bay Financial Centre Tower 3
Singapore 018982

JOINT BOOKRUNNERS AND UNDERWRITERS FOR THE OFFERING

DBS Bank Ltd.
12 Marina Boulevard Level 46
DBS Asia Central @ Marina Bay Financial Centre Tower 3
Singapore 018982

Bank of China Limited, Singapore Branch
4 Battery Road
Bank of China Building
Singapore 049908

Haitong International Securities (Singapore) Pte. Ltd.
30 Cecil Street #24-01
Prudential Tower
Singapore 049712

RECEIVING BANK

DBS Bank Ltd.
12 Marina Boulevard Level 46
DBS Asia Central @ Marina Bay Financial Centre Tower 3
Singapore 018982

LEGAL ADVISERS

Legal Adviser to the Offering, and to the Trustee-Manager and the Sponsor

WongPartnership LLP
12 Marina Boulevard Level 28
Marina Bay Financial Centre Tower 3
Singapore 018982

JunZeJun Law Offices
Suit A/D/E/F, 34/F, Noble Center, No. 1006
Fuzhongsan Rd, Futian District, Shenzhen, PRC

Legal Adviser to the Trustee-Manager and the Sponsor as to PRC Law

Legal Adviser to the Sole Financial Adviser, Global Coordinator and Issue Manager and the Joint Bookrunners and Underwriters as to U.S. Federal Securities Law

Slaughter and May
47th Floor, Jardine House
1 Connaught Pl
Hong Kong

Legal Adviser to the Sole Financial Adviser, Global Coordinator and Issue Manager and the Joint Bookrunners and Underwriters as to Singapore Law

Allen & Gledhill LLP
One Marina Boulevard #26-00
Singapore 018989

Legal Adviser to the Sole Financial Adviser, Global Coordinator and Issue Manager and the Joint Bookrunners and Underwriters as to PRC Law

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Guangzhou, Guangdong 510623
REPORTING ACCOUNTANT
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6 Shenton Way,
OUE Downtown 2 #33-00
Singapore 068809

INDEPENDENT TAX ADVISER
Ernst & Young Solutions LLP
One Raffles Quay, North Tower Level 18
Singapore 048583

UNIT REGISTRAR AND UNIT TRANSFER OFFICE
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

INDEPENDENT VALUERS
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23/F Two Exchange Square
Central, Hong Kong

Colliers International (Hong Kong) Ltd
Suite 5701, Central Plaza, 18 Harbour Road
Wanchai, Hong Kong

INDEPENDENT MARKET RESEARCH CONSULTANT
Beijing CBRE Property Management Services Limited Shanghai Branch
11 F, Wheelock Square
1717 West Nanjing Road
Shanghai, PRC 200040
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**Defensive refers to products and services that are less discretionary in nature**

- **Higher economic activity, standard of living and strong consumer spending culture in Zhongshan City**
- **Proximity and increased connectivity in the Pearl River Delta region to fuel Zhongshan’s economic growth**

**GFA of the Initial Portfolio and Shiqi Metro Mall will expand by approximately 2.6 times if the Doumen Purchase Option is exercised and the ROFR Properties (excluding the six uncompleted ROFR Properties of which have not been determined) are acquired**

**INVESTMENT HIGHLIGHTS**

**USURGENT GROWTH OPPORTUNITIES ENHANCED BY POSITIVE DEVELOPMENTS WITHIN THE PEAL RIVER DELTA REGION**
- Regional integration in the Greater Pearl River Delta Region, which includes Hong Kong and Macau, will drive further trade and investment in the Pearl River Delta region.
- Leverage on the Sponsor’s strong track record, execution experience and strategic partnerships: 
  - Strong reputation for its strength in commercial real estate development and management; stronger brand image in the Greater Pearl River Delta region
  - Leading developer of high-grade completed retail properties in Zhongshan by GFA market share by GFA of approximately 37.2%
  - Winner of multiple national-level awards, including “China’s Top 10 Commercial Real Estate Development Companies” from 2012 to 2016
  - Sound mall operations strategies: 
    - Diversified portfolio of small tenants to expand offering and command higher rental yields
    - Leverage on the Sponsor’s strong track record, execution experience and strategic partnerships
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**SPONO’S INTEGRATED PLATFORM**
- Diversified portfolio of small tenants to expand offering and command higher rental yields
- Leverage on the Sponsor’s strong track record, execution experience and strategic partnerships
- Sound mall operations strategies
- Winner of multiple national-level awards, including “China’s Top 10 Commercial Real Estate Development Companies” from 2012 to 2016
- Strong reputation for its strength in commercial real estate development and management; stronger brand image in the Greater Pearl River Delta region

**BUILT POTENTIAL FOR GROWTH WITH STRONG PIPEL**
- Extensive right of first refusal (ROFR) pipeline spanning Zhongshan, Zhuhai and Macau
  - GFA of the Initial Portfolio and Shiqi Metro Mall will expand by approximately 2.6 times if the Doumen Purchase Option is exercised and the ROFR Properties (excluding the six uncompleted ROFR Properties of which have not been determined) are acquired
  - Extensive experience in investment, management, finance and accounting

**NATIONAL MANAGEMENT EXPERIENCE TO THE MANAGEMENT TEAM**
- The management team of Dasin Retail Trust Management Pte. Ltd. (an in-house manager of Dasin Retail Trust) has an average of over 15 years of relevant experience
- Extensive experience in investment, management, finance and accounting