



DASIN RETAIL TRUST

大信商用信托

(a business trust constituted on 15 January 2016 under the laws of the Republic of Singapore)

Managed by Dasin Retail Trust Management Pte. Ltd.

Unaudited Condensed Interim Consolidated Financial Statements

and Distribution Announcement

For the six-month period ended 30 June 2022

DASIN RETAIL TRUST
Unaudited Condensed Interim Consolidated Financial Statements
For the six-month period ended 30 June 2022

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INTRODUCTION

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

The Trust was listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 20 January 2017.

The principal investment strategy of the Trust is to invest in, own or develop land, uncompleted developments and income-producing real estate in Greater China, used primarily for retail purposes as well as real estate related assets, with a focus on retail malls.

The Trust’s current portfolio comprises 7 retail malls which are strategically located in Foshan, Zhongshan and Zhuhai cities in Guangdong, the People’s Republic of China (“PRC”) with an aggregate gross floor area (“GFA”) and net lettable area (“NLA”) of approximately 794,017 sq m and 386,529 sq m respectively.

	Shiqi Metro Mall	Xiaolan Metro Mall	Ocean Metro Mall	Dasin E-Colour	Doumen Metro Mall	Shunde Metro Mall	Tanbei Metro Mall	Total
Address	No. 2, South Dasin Road, Shiqi District, Zhongshan, Guangdong Province, PRC	No. 18 Shengping Middle Road, Xiaolan Town, Zhongshan, Guangdong Province, PRC	No. 28 Boai Six Road, Dongqu District, Zhongshan, Guangdong Province, PRC	South Tower, No. 4 Qibu New Village Longfeng Road, Shiqi District, Zhongshan, Guangdong Province, PRC	No. 328 Zhongxing Middle Road, Jing’an Town, Doumen District, Zhuhai City, Guangdong Province, PRC	No. 1 Rainbow Road, Xincheng District, Dehe Community Residents Committee, Daliang Street Office, Shunde District, Foshan City, Guangdong Province, PRC	Keyihaoyuan, No. 153, Xierma Road, Tanbei, Xiaolan Town, Zhongshan, Guangdong Province, PRC	
Remaining term of lease (years)	19	21	24	23	30	35	16	
Lease expiry	27 July 2041 ⁽¹⁾	01 April 2043	21 February 2046	28 July 2045	12 October 2052	06 March 2057	23 September 2038 ⁽²⁾	
GFA (sq m)	119,682 (including retail and carpark spaces of 30,170)	108,690 (including carpark spaces of 20,455)	180,338 (including retail, carpark and ancillary facilities spaces of 99,624)	25,857 (including ancillary facilities spaces of 584)	168,269 (including carpark, ancillary facilities and retail spaces of 88,306)	177,276 (including carpark, ancillary facilities and retail spaces of 82,020)	13,905	794,017
NLA (sq m)	85,247	69,755	64,642	12,568	77,660	67,665	8,992	386,529
Carpark lots	545	626	1,991	-	1,200	1,411	-	5,773
Commencement of operations	May 2004	September 2005	December 2014	May 2015	October 2018	November 2018	March 2018	

(1) The expiry date of the land use rights of Shiqi Metro Mall is 27 July 2041 for commercial use.

(2) The expiry date of the land use rights of Tanbei Metro Mall is 23 September 2038 for commercial use.

Occupancy rate of the seven malls was 92.6% as at 30 June 2022 (31 December 2021: 93.9%).

The initial portfolio of the Trust comprises Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour (the “Initial Portfolio”) which were acquired in March 2016. On 19 June 2017, the Trust completed the acquisition of Shiqi Metro Mall. The acquisition of Doumen Metro Mall was completed on 12 September 2019. On 8 July 2020, the Trust completed the acquisition of Shunde Metro Mall and Tanbei Metro Mall.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A. Condensed interim statements of financial position

	Note	Group		Trust	
		As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Investment properties	3	2,281,073	2,395,995	-	-
Plant and equipment		180	237	-	-
Intangible assets		383	427	-	-
Subsidiaries	4	-	-	914,026	912,373
Other receivables	5	433	466	-	-
		2,282,069	2,397,125	914,026	912,373
Current assets					
Trade and other receivables	5	18,106	23,623	464	589
Derivative financial assets		239	47	239	47
Cash and bank balances	6	108,413	119,222	7,447	11,720
		126,758	142,892	8,150	12,356
Total assets		2,408,827	2,540,017	922,176	924,729
Non-current liabilities					
Loans and borrowings	7	193,266	198,233	-	-
Deferred tax liabilities	8	398,460	420,432	-	-
Trade and other payables	9	1,555	1,620	43,858	53,109
		593,281	620,285	43,858	53,109
Current liabilities					
Loans and borrowings	7	750,570	755,851	673,813	677,378
Derivative financial liabilities		-	27	-	27
Trade and other payables	9	28,555	31,459	83,194	54,815
Loans from shareholders	10	13,959	-	13,959	-
Security deposits		15,766	17,362	-	-
Current tax liabilities		1,393	1,362	-	-
		810,243	806,061	770,966	732,220
Total liabilities		1,403,524	1,426,346	814,824	785,329
Net assets		1,005,303	1,113,671	107,352	139,400
Represented by:					
Units in issue	11	267,560	267,051	267,560	267,051
Other reserves	12	737,743	846,620	(160,208)	(127,651)
		1,005,303	1,113,671	107,352	139,400
Net asset value per unit attributable to Unitholders (S\$)	13	1.25	1.40	0.13	0.18

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B. Condensed interim consolidated statement of profit or loss

	Note	Group	
		6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000
Revenue		47,671	51,336
Property related taxes		(3,361)	(4,034)
Property and commercial management fees		(947)	(1,018)
Property operating expenses		(5,354)	(5,387)
Total property operating expenses		(9,662)	(10,439)
Net property income		38,009	40,897
Trustee-Manager's fees		(3,355)	(3,405)
Other trust expenses		(2,155)	(937)
Exchange loss		(7,746)	(5,851)
Other income		220	769
Loss allowance on receivables		(11,358)	(2,667)
Finance income		500	548
Finance costs	14	(15,353)	(17,520)
Net (loss) / income		(1,238)	11,834
Net change in fair value of investment properties	3	(64,032)	1,032
(Loss) / Profit before income tax		(65,270)	12,866
Income tax expense	15	8,830	(9,944)
(Loss) / Profit for the period	16	(56,440)	2,922
Attributable to:			
Unitholders of the Trust		(56,440)	2,922
Earnings per unit (cents)	17		
- Basic		(7.13)	0.37
- Diluted		(7.13)	0.37

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C. Condensed interim consolidated statement of comprehensive income

	Group	
	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000
(Loss) / Profit for the period	(56,440)	2,922
Other comprehensive income for the period, net of tax Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences - foreign operations, net of tax	(39,344)	51,642
Total comprehensive income for the period	(95,784)	54,564

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D. Condensed interim statements of changes in unitholders' funds

	Units in issue S\$'000	Statutory surplus reserve S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Accum- ulated losses S\$'000	Total S\$'000
The Group						
As at 1 January 2022	267,051	674	910,042	57,515	(121,611)	1,113,671
Loss for the period	-	-	-	-	(56,440)	(56,440)
Other comprehensive income:						
Foreign currency translation differences - foreign operations, net of tax	-	-	-	(39,344)	-	(39,344)
Other comprehensive income for the period	-	-	-	(39,344)	-	(39,344)
Transactions with Unitholders:						
Contributions by and distributions to Unitholders						
Distribution to Unitholders						
- Tax-exempt income	-	-	-	-	(13,093)	(13,093)
- Capital	(2,846)	-	-	-	-	(2,846)
Units issued and to be issued as payment for Trustee- Manager's fees	3,355	-	-	-	-	3,355
Total transactions with Unitholders	509	-	-	-	(13,093)	(12,584)
As at 30 June 2022	267,560	674	910,042	18,171	(191,144)	1,005,303

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D. Condensed interim statements of changes in unitholders' funds (cont'd)

	Units in issue S\$'000	Statutory surplus reserve S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
The Group						
As at 1 January 2021	282,032	554	910,042	(28,215)	(62,062)	1,102,351
Profit for the period	-	-	-	-	2,922	2,922
Other comprehensive income:						
Foreign currency translation differences - foreign operations, net of tax	-	-	-	51,642	-	51,642
Other comprehensive income for the period	-	-	-	51,642	-	51,642
Transactions with Unitholders:						
Contributions by and distributions to Unitholders						
Distribution to Unitholders						
- Tax-exempt income	-	-	-	-	(10,514)	(10,514)
- Capital	(998)	-	-	-	-	(998)
Units issued and to be issued as payment for Trustee-Manager's fees						
	3,405	-	-	-	-	3,405
Total transactions with Unitholders	2,407	-	-	-	(10,514)	(8,107)
As at 30 June 2021	284,439	554	910,042	23,427	(69,654)	1,148,808
As at 1 July 2021	284,439	554	910,042	23,427	(69,654)	1,148,808
Loss for the period					(51,837)	(51,837)
Other comprehensive income:						
Foreign currency translation differences - foreign operations, net of tax	-	-	-	34,088	-	34,088
Other comprehensive income for the period	-	-	-	34,088	-	34,088
Reserves to be set aside under PRC laws	-	120	-	-	(120)	-
Transactions with Unitholders:						
Contributions by and distributions to Unitholders						
Distribution to Unitholders						
- Tax-exempt income	-	-	-	-	-	-
- Capital	(20,928)	-	-	-	-	(20,928)
Units issued and to be issued as payment for Trustee-Manager's fees						
	3,540	-	-	-	-	3,540
Total transactions with Unitholders	(17,388)	-	-	-	-	(17,388)
As at 31 December 2021	267,051	674	910,042	57,515	(121,611)	1,113,671

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D. Condensed interim statements of changes in unitholders' funds (cont'd)

	Units in issue S\$'000	Accumulated losses S\$'000	Total S\$'000
The Trust			
As at 1 January 2022	267,051	(127,651)	139,400
Loss for the period	-	(19,464)	(19,464)
Total comprehensive income for the period	-	(19,464)	(19,464)
Transactions with Unitholders:			
Contributions by and distributions to Unitholders			
Distribution to Unitholders			
- Tax-exempt income	-	(13,093)	(13,093)
- Capital	(2,846)	-	(2,846)
Units issued and to be issued as payment for Trustee- Manager's fees	3,355	-	3,355
Total transactions with Unitholders	509	(13,093)	(12,584)
As at 30 June 2022	267,560	(160,208)	107,352

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D. Condensed interim statements of changes in unitholders' funds (cont'd)

	Units in issue S\$'000	Accumulated losses S\$'000	Total S\$'000
The Trust			
As at 1 January 2021	282,032	(104,166)	177,866
Loss for the period	-	(11,995)	(11,995)
Total comprehensive income for the period	-	(11,995)	(11,995)
Transactions with Unitholders:			
Contributions by and distributions to Unitholders			
Distribution to Unitholders			
- Tax-exempt income	-	(10,514)	(10,514)
- Capital	(998)	-	(998)
Units issued and to be issued as payment for Trustee- Manager's fees	3,405	-	3,405
Total transactions with Unitholders	2,407	(10,514)	(8,107)
As at 30 June 2021	284,439	(126,675)	157,764
As at 1 July 2021	284,439	(126,675)	157,764
Loss for the period	-	(976)	(976)
Total comprehensive income for the period	-	(976)	(976)
Transactions with Unitholders:			
Contributions by and distributions to Unitholders			
Distribution to Unitholders			
- Tax-exempt income	-	-	-
- Capital	(20,928)	-	(20,928)
Units issued and to be issued as payment for Trustee- Manager's fees	3,540	-	3,540
Total transactions with Unitholders	(17,388)	-	(17,388)
As at 31 December 2021	267,051	(127,651)	139,400

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E. Condensed interim consolidated statement of cash flows

	Note	Group	
		6 months ended 30 June 2022	6 months ended 30 June 2021
		S\$'000	S\$'000
Operating activities			
(Loss) / Profit before income tax		(65,270)	12,866
Adjustments for:			
Amortisation of intangible assets		36	31
Depreciation of plant and equipment		44	71
Finance costs	14	15,353	17,520
Finance income		(500)	(548)
Loss allowance on receivables	22	11,358	2,667
Net change in fair value of derivative financial instruments		(220)	(769)
Net change in fair value of investment properties	3	64,032	(1,032)
Recognition of rental income on a straight-line basis over the lease term		(428)	730
Trustee-Manager's fees paid/payable in units		3,355	3,405
Plant and equipment written off		8	-
Operating cash flows before working capital changes		27,768	34,941
Changes in working capital:			
Trade and other receivables		(6,955)	(5,584)
Trade and other payables		4,858	(2,969)
Cash generated from operations		25,671	26,388
Income tax paid		(4,017)	(4,691)
Net cash generated from operating activities		21,654	21,697
Investing activities			
Capital expenditure on investment properties		(231)	(684)
Interest received		307	642
Purchase of intangible assets		-	(42)
Net cash generated from / (used in) investing activities		76	(84)
Financing activities			
Distributions paid	20	(15,939)	(11,512)
Finance costs paid		(13,222)	(12,975)
Interest free loans from shareholders		13,959	-
Payment of lease liabilities		(47)	(51)
Payment of loan transaction costs		(131)	(2,571)
Repayment of borrowings		(14,810)	(16,489)
Withdrawal in cash pledged		803	20,090
Net cash (used in) financing activities		(29,387)	(23,508)
Net (decrease) in cash and cash equivalents		(7,657)	(1,895)
Cash and cash equivalents at the beginning of the period		88,016	98,790
Effect of exchange rate changes on cash and cash equivalents		(1,804)	2,721
Cash and cash equivalents at the end of the period	6	78,555	99,616

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E. Condensed interim consolidated statement of cash flows (cont'd)

Significant non-cash transactions

The Trustee-Manager's trustee fee and base management fee for the six-month period ended 30 June 2022 ("1H2022") was S\$ 3,355,000 (six-month period ended 30 June 2021 ("1H2021"): S\$3,405,000). S\$1,692,000 (1H2021: S\$1,680,000) was paid during the period by the issue of 5,391,000 (1H2021: 2,321,000) units. The remaining S\$1,663,000 (1H2021: S\$1,725,000) will be issued subsequent to the period end by the issue of 5,068,000 (1H 2021: 2,658,000) units.

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F. Notes to the condensed interim consolidated financial statements

1. General

Dasin Retail Trust (the "Trust") is a Singapore-domiciled business trust constituted pursuant to the trust deed dated 15 January 2016 (as supplemented by a first supplemental deed dated 27 December 2016) (collectively the "Trust Deed") entered into by Dasin Retail Trust Management Pte. Ltd. as trustee-manager of the Trust (the "Trustee-Manager"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee-Manager is under a duty to take into custody and hold the assets of the Trust held by it or through its subsidiaries in trust for the holders ("Unitholders") of units in the Trust (the "Units").

The Trust was registered with the Monetary Authority of Singapore on 13 January 2017, and was formally admitted to the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 January 2017 (the "Listing Date"). The Trust is principally regulated by the Securities and Futures Act, 2001 and the Business Trusts Act, 2004.

The condensed interim consolidated financial statements of the Trust and its subsidiaries (together referred to as the "Group" and individually as "Group entities") for the six months ended 30 June 2022 have not been audited or reviewed.

For financial reporting purposes in accordance with IFRS 10 *Consolidated Financial Statements*, the immediate holding company of the Trust is Aqua Wealth Holdings Limited, a company incorporated in the British Virgin Islands. Aqua Wealth Holdings Limited, is an indirect wholly-owned subsidiary of the Zhang Family Trust. Zhang Family Trust is the ultimate controlling party of the Trust that holds the units owned by Aqua Wealth Holdings Limited for the benefit for its beneficiaries, being Mr. Zhang Chon Meng, son of Mr. Zhang Zhencheng, Mr. Zhang Guiming, nephew of Mr. Zhang Zhencheng, Mr. Zhang Kunming, nephew of Mr. Zhang Zhencheng, Mr. Zhang Shenming, nephew of Mr. Zhang Zhencheng and Mdm. Liang Jinying, sister-in-law of Mr. Zhang Zhencheng.

On 12 October 2021, New Harvest Investments Limited ("New Harvest"), a company incorporated in the British Virgin Islands and Sino-Ocean Capital Holding Limited, a company incorporated in Hong Kong became the immediate holding and ultimate holding companies of the Trustee-Manager following the completion of the sale of the 70% of the total issued and paid-up share capital in the Trustee-Manager from Mr. Zhang Zhencheng to New Harvest. The remaining 30% of the issued and paid-up share capital in the Trustee-Manager is owned by Mr. Zhang Zhencheng. Prior to the sale, Mr. Zhang Zhencheng owns 100% of the Trustee-Manager.

2. Basis of preparation

2.1 Statement of compliance

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board, and should be read in conjunction with the Trust's last annual consolidated financial statements as at and for the year ended 31 December 2021. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial positions and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with International Financial Reporting Standards ("IFRS"), except for the adoption of new and amended standards as set out in Note 2.3.

The condensed interim financial statements are presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been round to the nearest thousand, unless otherwise stated.

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F. Notes to the condensed interim consolidated financial statements (cont'd)

2.2 Going concern basis of preparation of financial statements

As at 30 June 2022, the Group and the Trust were in net current liabilities of S\$683,485,000 (31 December 2021: S\$663,169,000) and S\$762,816,000 (31 December 2021: S\$719,864,000) respectively, as the syndicated term loans pertaining to the Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour (the "Initial Portfolio") and Shiqi Metro Mall of \$489,497,000 (31 December 2021: S\$499,520,000) in aggregate are due and payable on 31 December 2022, the offshore syndicated term loans pertaining to Shunde Metro Mall and Tanbei Metro Mall of \$134,277,000 (31 December 2021: S\$132,851,000) in aggregate are due and payable on 31 December 2022 and the offshore syndicated term loans pertaining to Doumen Metro Mall of \$106,974,000 (31 December 2021: S\$105,728,000) in aggregate are due and payable on 18 September 2022.

In addition, the Group and the Trust drawdown the 24-month credit loan facility of USD13,120,000 equivalent to S\$18,243,000 (31 December 2021: USD13,120,000 equivalent to S\$17,763,000) in September 2021 which is revolving every 12 months and is due on 22 September 2022.

The above conditions indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group and of the Trust to continue as going concerns.

Notwithstanding the above, the financial statements have been prepared on a going concern basis as the Trustee-Manager is in active negotiations with the lenders and have assessed that it is appropriate to do so after considering the following factors and bases:

- (i) On 12 October 2021, New Harvest and Sino-Ocean Capital became the immediate holding and the ultimate holding companies of the Trustee-Manager respectively. In addition, Aqua Wealth Holdings Limited, the controlling unitholder of the Trust, has granted a call option to New Harvest (or any of its designated affiliates) for a period of one (1) year following the completion of the sale of the Sale Shares (the "Option") over units in the Trust (the "Units") which, in aggregate, shall not exceed the lower of (a) the total Units owned by Aqua Wealth; and (b) 26.0% of the total Units, in each case as of the date when the Option is exercised;

On 12 October 2021, Sino-Ocean Capital held approximately 6.3% of the total issued units in the Trust via its affiliate Glory Class Ventures Limited. On 4 May 2022, Glory Class Ventures Limited exercised 6% of the call option and Sino Ocean Capital currently holds approximately 12% of the total issued units in the Trust via its affiliate Glory Class Ventures Limited.
- (ii) the potential divestment of Shiqi Metro Mall and Xiaolan Metro Mall to a buyout fund managed jointly by GSUM Real Estate Fund Management Co., Ltd. and Sino-Ocean Capital for repayment of the offshore and onshore syndicated loans pertaining to the Initial Portfolio and Shiqi Metro Mall as announced by the Trust on 20 March 2022;
- (iii) the Trust's property portfolio is strategically located in the core cities of the Guangdong-Hong Kong-Macau Greater Bay Area ("Greater Bay Area") where there are limited competing properties. The portfolio has stable growth potential from its resilient lease structure, diversified tenants and business mix as well as balanced mix of mature and growth assets;
- (iv) the Group has sufficient cash and cash equivalents and is able to generate positive cash flow from its operations to meet its day-to-day working capital needs; and
- (v) the Group met its loan repayment obligations and complied with the stated financial covenants during the period up to the date of this condensed interim financial statements.

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F. Notes to the condensed interim consolidated financial statements (cont'd)

2.2 Going concern basis of preparation of financial statements (cont'd)

Notwithstanding the plans and measures above taken by management, material uncertainties exist as to whether the Group and the Trust is able to continue as a going concern would depend on the following:

- (i) the Group is successful in its efforts to timely execute the re-financing of its loans which are due for repayment in 2022 before the above stipulated repayment dates;
- (ii) the Group continues to generate positive cash flows from its operations to meet its day-to-day working capital needs; and
- (iii) the Group is able to obtain sufficient financial support from Sino-Ocean Capital when needed.

The financial statements did not include any adjustments relating to the realisation and classification of assets and liabilities that may be necessary if the Group and the Trust were unable to continue as a going concern. Should the going concern assumption be inappropriate, adjustments may have to be made to (i) reflect the situation that assets may need to be realised other than their carrying amounts; (ii) provide for further liabilities that might arise; (iii) reclassify non-current assets and non-current liabilities as current. Such adjustments have not been made to the financial statements.

2.3 New and amended standards adopted by the Group

A number of new and amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.4 Use of estimates and judgements

The preparation of condensed interim financial statements in conformity with IFRS requires the Trustee-Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the Trustee-Manager in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have significant effect on the amounts recognised the financial statements include going concern assessment under Note 2.2 and deferred taxation on investment properties on investment properties under Note 3.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 3 – Valuation of investment properties;
- Note 5 – measurement of expected credit loss allowance for trade receivables: key assumptions in determining the impairment loss rate

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F. Notes to the condensed interim consolidated financial statements (cont'd)

2.4 Use of estimates and judgements (cont'd)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).
- The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

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F. Notes to the condensed interim consolidated financial statements (cont'd)

3 Investment properties

	Group	
	As at 30 June 2022 S\$'000	As at 31 December 2021 S\$'000
At 1 January	2,395,995	2,345,729
Capital expenditure	231	2,343
	2,396,226	2,348,072
Effects of recognising accounting income on a straight-line basis over the lease term	428	(1,267)
Changes in fair value	(64,032)	(62,844)
Translation differences on consolidation	(51,549)	112,034
At 30 June 2022 and 31 December 2021	2,281,073	2,395,995

	Group					
	As at 30 June 2022 RMB'000	As at 31 December 2021 RMB'000	%	As at 30 June 2022 S\$'000	As at 31 December 2021 S\$'000	%
Investment properties			change			change
Shiqi Metro Mall	2,760,000	2,812,900	(2)	572,863	596,906	(4)
Xiaolan Metro Mall	1,959,000	2,023,800	(3)	406,608	429,456	(5)
Ocean Metro Mall	1,611,000	1,675,500	(4)	334,378	355,546	(6)
Dasin E-Colour	260,000	265,000	(2)	53,965	56,234	(4)
Doumen Metro Mall	1,906,000	1,974,000	(3)	395,607	418,889	(6)
Shunde Metro Mall	2,428,000	2,468,250	(2)	503,953	523,770	(4)
Tanbei Metro Mall	66,000	71,600	(8)	13,699	15,194	(10)
	10,990,000	11,291,050	(3)	2,281,073	2,395,995	(5)

Security

The investment properties are pledged as security to secure credit facilities (Note 7).

Measurement of fair value

Investment properties are stated at fair value. The fair values were based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after property marketing wherein the parties had acted knowledgeably, prudently and without compulsion.

The carrying value of the investment properties as at 30 June 2022 was based on desktop valuation undertaken by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL"), and the carrying value of the investment properties as at 31 December 2021 was based on full valuation undertaken by JLL, having considered available information including economic, market and other conditions existed as of the valuation date. The valuation report highlighted that the disruption to economic activities caused by the outbreak of the COVID-19 around the world. Although China economy has recovered and most business activities have been back to normal, due to uncertainty for the pace of global economic recovery in the midst of the outbreak that may have future impact on the real estate market, the independent valuer has recommended to keep the valuation of the investment properties under frequent review.

The valuers have considered valuation techniques including the income capitalisation and discounted cash flows approaches in arriving at the open market value as at the reporting dates.

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F. Notes to the condensed interim consolidated financial statements (cont'd)

3. Investment properties (cont'd)

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair value has been derived using the income capitalisation approach and discounted cash flows approach in arriving at the open market value as at the reporting date. The income capitalisation approach assesses the value of a property by capitalising the current passing rental income and estimates reversionary rental income of the property. The discounted cash flows method involves the estimation and projection of an income stream over a period and discounting the income stream with a risk adjusted discount rates to arrive at the market value.

The decrease in fair value of the investment properties as at 30 June 2022 compared to 31 December 2021 is primarily due to the ongoing market disruption to rental rates caused by COVID-19 pandemic, which continued to affect market activity and rental performance in many property sectors. In addition, the decrease in turnover rent and negative reversion rental rate from some newly signed leases during the 6-month period ended 30 June 2022 also contributed to the decrease in valuation of the investment properties as at 30 June 2022. The decrease in fair value of the investment properties as at 30 June 2022 is also contributed by foreign exchange due to weakening of Renminbi (RMB) against Singapore dollars as the investment properties are denominated in RMB.

Level 3 fair values

The following table shows the significant unobservable inputs used in the valuation models:

Valuation methods	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows approach	Discount rates from 7.00% to 7.50% per annum (31 December 2021: from 7.00% to 7.50%) Terminal rate of 4.50% (31 December 2021: 4.50%)	The fair value increases as discount rates and terminal rates decreases.
Income capitalisation approach	Term yield rates from 2.50% to 4.00% (31 December 2021: 2.50% to 4.00%) Reversionary rate of 3.00% to 4.50% (31 December 2021: 3.00% to 4.50%)	The fair value increases as term yield and reversionary rate decreases.

4 Subsidiaries

	Trust	
	As at 30 June 2022	As at 31 December 2021
	S\$'000	S\$'000
Unquoted equity, at cost	126,400	126,400
Loans to subsidiaries	787,626	785,973
	914,026	912,373

The loans to subsidiaries of the Trust consist of a S\$456.1 million, US\$124.1 million (S\$172.7 million) and RMB765 million (S\$158.8 million) equivalent to S\$787 million in aggregate, which are unsecured, interest-free and are not expected to be repaid within the next twelve months. These loans were granted to subsidiaries to fund the acquisition of the investment properties of the Group.

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F. Notes to the condensed interim consolidated financial statements (cont'd)

5 Trade and other receivables

	Group		Trust	
	As at 30 June 2022 S\$'000	As at 31 December 2021 S\$'000	As at 30 June 2022 S\$'000	As at 31 December 2021 S\$'000
<u>Non-current</u>				
Finance lease receivables	433	466	-	-
<u>Current</u>				
Trade receivables - third parties	13,842	9,519	-	-
Loss allowance on receivables	(13,213)	(4,623)	-	-
	629	4,896	-	-
Trade receivables - related parties	12,385	9,331	-	-
Loss allowance on receivables	(7,933)	(5,758)	-	-
	4,452	3,573	-	-
Trade receivables (net)	5,081	8,469	-	-
Other receivables	815	463	8	9
Loss allowance on receivables	(49)	(2)	-	-
	766	461	8	9
VAT receivables	9,532	12,348	-	-
Interest receivables	302	119	3	-
Amount due from related parties (non-trade)	1,606	1,242	-	-
Amount due from subsidiaries (non-trade)	-	-	407	380
Trade and other receivables	17,287	22,639	418	389
Contract costs	56	77	-	-
Prepayment	411	540	46	200
Advances to a supplier	352	367	-	-
	18,106	23,623	464	589

The trade receivables are mainly from tenants with the Trust and its subsidiaries (collectively, the "Group"). Concentration of credit risk is limited as the Group has many varied tenants and a credit policy of obtaining security deposits from tenants for the lease of units in the Group's investment properties. The Group recognised loss allowance for expected credit losses (ECLs) amounting to S\$21.1 million as at 30 June 2022 (31 December 2021: S\$10.4 million) in accordance with IFRS 9 *Financial Instruments*. In recognising the loss allowance, the Group uses historical credit loss experience and adjust for current conditions and forward-looking factors specific to the debtors and the economic environment, so as to determine the overall allowance for ECL.

Non-current finance lease receivables of S\$0.433 million (31 December 2021: S\$0.466 million) relate to a lease receivable from a tenant for a period of ten-year.

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F. Notes to the condensed interim consolidated financial statements (cont'd)

6 Cash and bank balances

Cash and bank balances of the Group and the Trust included restricted cash, which were placed as security deposit to secure bank borrowings, as at 30 June 2022 of approximately S\$29.9 million (31 December 2021: S\$31.2 million) and S\$5.4 million (31 December 2021: S\$6.3 million) respectively.

	Group	
	6 months ended 30 June 2022	6 months ended 30 June 2021
	S\$'000	S\$'000
Bank balances	102,069	105,559
Fixed deposits with financial institutions	6,344	18,421
Cash and bank balances in Statement of Financial Position	108,413	123,980
Less: Restricted cash	(29,858)	(24,364)
Cash and cash equivalents in Statement of Cash Flows	78,555	99,616

Fixed deposits have original maturities of one month or less.

Restricted cash included (i) S\$10.1 million (31 December 2021: S\$11.0 million) relating to securities pledged by a subsidiary and the Trust to obtain the term loan facilities (see note 7), (ii) S\$0.36 million and S\$18.7 million (RMB90 million) (31 December 2021: S\$0.4 million and S\$19.1 million (RMB90 million)) relating to security pledged by the Trust and a subsidiary respectively to obtain the revolving credit facility for the Trust (see note 7) and (iii) S\$0.7 million (31 December 2021: S\$0.7 million) held by a subsidiary.

7 Loans and borrowings

	Group		Trust	
	As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Secured borrowings:				
- Amount repayable within one year	751,021	757,868	674,239	679,367
- Amount repayable after one year	196,113	201,539	-	-
	947,135	959,406	674,239	679,367
Unsecured borrowings:	-	-	-	-
Total gross borrowings	947,135	959,406	674,239	679,367
Less capitalised transaction costs	(3,298)	(5,322)	(426)	(1,989)
Total borrowings net of transaction costs	943,836	954,084	673,813	677,378
Current	750,570	755,851	673,813	677,378
Non-current	193,266	198,233	-	-
Total	943,836	954,084	673,813	677,378

Details of any collaterals

The above loans and borrowings are secured by legal mortgage over of the investment properties and a pledge over the sales proceeds, rental income and receivables derived from these properties.

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F. Notes to the condensed interim consolidated financial statements (cont'd)

	Nominal interest rate per annum	Year of maturity		Face value Original currency in thousand	Face value \$'000	Group Carrying amount \$'000	Trust Carrying amount \$'000
	%						
As at 30 June 2022							
Initial Portfolio and Shiqi Metro Mall							
Onshore secured floating rate term loan	5.225 - 5.725	2022	RMB	360,152	74,753	74,723	-
Offshore secured floating rate term loan	1.53-2.42	2022	SGD	234,144	234,144	234,144	234,144
Offshore secured floating rate term loan	1.41-2.53	2022	USD	129,882	180,600	180,600	180,600
					489,497	489,468	414,744
Doumen Metro Mall							
Onshore secured floating rate term loan	4.900	2022-2029	RMB	485,000	100,666	99,607	-
Offshore secured floating rate term loan	1.83-2.32	2022	SGD	54,880	54,880	54,692	54,692
Offshore secured floating rate term loan	1.64-2.11	2022	HKD	294,000	52,094	51,915	51,915
					207,640	206,214	106,607
Shunde Metro Mall and Tanbei Metro Mall							
Onshore secured floating rate term loan	4.750	2022-2025	RMB	469,635	97,477	95,694	-
Offshore secured floating rate term loan	1.72-2.53	2022	SGD	87,000	87,000	86,962	86,962
Offshore secured floating rate term loan	1.32-2.24	2022	USD	34,000	47,277	47,256	47,256
					231,754	229,912	134,218
Revolving credit facility							
Revolving credit facility	2.91-3.76	2022	USD	13,120	18,243	18,243	18,243
					947,135	943,836	673,813

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F. Notes to the condensed interim consolidated financial statements (cont'd)

	Nominal interest rate per annum	Year of maturity		Face value Original currency in thousand	Face value \$'000	Group Carrying amount \$'000	Trust Carrying amount \$'000
	%						
As at 31 December 2021							
Initial Portfolio and Shiqi Metro Mall							
Onshore secured floating rate term loan	5.225	2022	RMB	360,152	76,425	76,386	-
Offshore secured floating rate term loan	1.31-1.83	2022	SGD	242,000	242,000	242,000	242,000
Offshore secured floating rate term loan	1.29-1.82	2022	USD	134,286	181,095	181,095	181,095
					499,520	499,481	423,095
Doumen Metro Mall							
Onshore secured floating rate term loan	4.9	2022-2029	RMB	487,500	103,449	102,284	-
Offshore secured floating rate term loan	1.69-1.82	2022	SGD	54,880	54,880	54,247	54,247
Offshore secured floating rate term loan	1.64-1.88	2022	HKD	294,000	50,848	50,262	50,262
					209,177	206,793	104,509
Shunde Metro Mall and Tanbei Metro Mall							
Onshore secured floating rate term loan	4.7	2022-2025	RMB	472,025	100,165	98,036	-
Offshore secured floating rate term loan	1.67-1.77	2022	SGD	87,000	87,000	86,496	86,496
Offshore secured floating rate term loan	1.33-1.42	2022	USD	34,000	45,851	45,585	45,585
					233,016	230,117	132,081
Revolving credit facility							
Revolving credit facility	2.91	2022	SGD	13,120	17,693	17,693	17,693
					959,406	954,084	677,378

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F. Notes to the condensed interim consolidated financial statements (cont'd)

8 Deferred tax liabilities

Deferred tax liabilities comprise the recognition of the temporary differences between the carrying value of the investment properties and the loss allowance on receivables, foreign exchange differences for financial reporting and taxation purposes as well as the provision of 5% withholding tax for undistributed statutory earnings of the PRC subsidiaries.

9 Trade and other payables

	Group		Trust	
	As at 30 June 2022 S\$'000	As at 31 December 2021 S\$'000	As at 30 June 2022 S\$'000	As at 31 December 2021 S\$'000
<u>Non-current</u>				
Trade payables	1,065	1,061	-	-
Lease liabilities	490	559	-	-
Amounts due to subsidiaries (non-trade, interest bearing)	-	-	43,858	53,109
	1,555	1,620	43,858	53,109
<u>Current</u>				
Trade payables - third parties	6,976	11,233	-	-
Trade payables - related parties	3,742	3,700	-	-
	10,718	14,933	-	-
Accrued operating expenses	1,320	1,215	595	402
Amounts due to subsidiaries (non-trade, interest free)	-	-	66,114	48,284
Amounts due to subsidiaries (non-trade, interest bearing)	-	-	9,037	-
Amounts due to related parties (non-trade)	5,384	5,265	5,131	5,042
Interest payables	2,538	2,470	759	721
Other payables	2,168	934	1,343	263
Construction cost payable to a third party	4,026	4,382	-	-
	26,154	29,199	82,979	54,712
Receipt in advance from tenants	1,449	1,385	-	-
Other taxes	952	875	215	103
	28,555	31,459	83,194	54,815

The amounts due to related parties (non-trade) is unsecured, interest-free and repayable on demand. Included in the amounts due to related parties were advances from a beneficiary of the ultimate controlling party of the Trust amounting to approximately S\$1.86 million (31 December 2021: S\$1.86 million).

Construction cost payable to a third party is unsecured, interest bearing with fixed interest rate of 4.35% (31 December 2021: 4.35%) per annum and repayable within the next 12 months.

10 Loans from shareholders

The loans from shareholders are unsecured, interest free and have no fixed terms of repayment.

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F. Notes to the condensed interim consolidated financial statements (cont'd)

11 Units in issue

	Group and Trust			
	As at 30 June 2022	As at 30 June 2022	As at 31 December 2021	As at 31 December 2021
	Number of units ('000)	S\$'000	Number of units ('000)	S\$'000
Units in issue				
At 1 January	794,014	267,051	777,480	280,324
Units issued arising from:				
Trustee-Manager's fees paid in units	5,391	1,692	11,690	6,881
Distribution to unitholders	-	(2,846)	-	(21,926)
	799,405	265,897	789,170	265,279
Units to be issued				
- Trustee-Manager's fees payable in units	5,068	1,663	4,844	1,772
Total issued and issuable units as at 30 June/31 December	804,472	267,560	794,014	267,051

The Group and the Trust had issued and will issue a total of 10,458,510 (year ended 31 December 2021: 14,298,110) units to the Trustee-Manager, amounting to approximately S\$3,355,000 (year ended 31 December 2021: S\$6,945,000) at unit prices ranging from S\$0.3139 to S\$0.3282 (year ended 31 December 2021: S\$0.3657 to S\$0.7239) as satisfaction of the base management fee and trustee fee payable in units in respect of 1H2022.

The Trust does not have any units as subsidiary holdings as at 30 June 2022 and 31 December 2021.

The Group and the Trust do not hold any treasury units as at 30 June 2022 and 31 December 2021. The total number of issued units excluding treasury units as at 30 June 2022 and 31 December 2021 was 799,405,099 and 789,169,807 respectively.

12 Other reserves

	Note	Group		Trust	
		As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
		S\$'000	S\$'000	S\$'000	S\$'000
Statutory surplus reserve	(i)	674	674	-	-
Capital reserve	(ii)	910,042	910,042	-	-
Foreign currency translation reserve	(iii)	18,171	57,515	-	-
Accumulated losses		(191,144)	(121,611)	(160,208)	(127,651)
		737,743	846,620	(160,208)	(127,651)

(i) Statutory surplus reserve

The subsidiaries incorporated in PRC are required to transfer 10% of the profit after taxation, as determined under the accounting principles and relevant financial regulations of PRC to the statutory reserve until the reserve balance reaches 50% of registered capital. The transfer to this reserve must be made before distribution of dividends to its shareholders.

Statutory reserve can be used to make good previous years' losses, if any, and may be converted to registered capital in proportion to the existing interests of the shareholders, provided that the balance after such conversion is not less than 25% of the registered capital.

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F. Notes to the condensed interim consolidated financial statements (cont'd)

12 Other reserves (cont'd)

- (ii) Capital reserve
Capital reserve represents the excess of the fair value of the net assets acquired over the consideration transferred of the PRC property and rental management companies of the investment properties acquired from a controlling unitholder.
- (iii) Foreign currency translation reserve comprises:
- (a) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Trust; and
- (b) the foreign exchange differences on loans to subsidiaries which form part of the Group's net investment in foreign operations.
- (c) The exchange rates for SGD/RMB, USD/SGD and SGD/HKD are as follows:

	30 June 2022	30 June 2021	31 December 2021
Month-end exchange rate SGD/RMB	4.8179	4.8008	4.7125
Month-end exchange rate USD/SGD	1.3905	1.3453	1.3486
Month-end exchange rate SGD/HKD	5.6436	5.7727	5.7819
Average exchange rate SGD/RMB	4.7507	4.8433	4.7893

13 Net Asset Value per unit

	Group		Trust	
	As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
Net asset value per unit is based on:				
- Net assets (\$'000)	1,005,303	1,113,671	107,352	139,400
- Total number of issued and issuable units at the end of the period/year ('000)	804,473	794,014	804,473	794,014
Net asset value per unit (S\$):	1.25	1.40	0.13	0.18

14 Finance costs

	6 months ended 30 June 2022	6 months ended 30 June 2021
	S\$'000	S\$'000
Amortisation of capitalised borrowing costs	1,876	5,222
Interest expense	126	331
Interest expense on loans and borrowings	13,336	11,931
Interest expense on Right-Of-Use (ROU) assets	15	36
	15,353	17,520

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F. Notes to the condensed interim consolidated financial statements (cont'd)

15 Income tax expense

	6 months ended 30 June 2022	6 months ended 30 June 2021
	S\$'000	S\$'000
Current income tax expense - PRC	3,029	3,557
Withholding tax expense	541	533
	3,570	4,090
Deferred tax expense relating to origination and reversal of temporary differences	(12,401)	5,854
	(8,830)	9,944

16 (Loss) / Profit for the period

The following items have been included in arriving at the (loss)/profit for the period:

	6 months ended 30 June 2022	6 months ended 30 June 2021
	S\$'000	S\$'000
Audit fees paid/payable to auditors	276	232
Depreciation of plant and equipment	44	71
Amortisation of intangible assets	36	31
Facility agent and security agent fees	197	199
GST expenses	327	282
Investor relations	71	57
Loss allowance on receivables	11,358	2,667
Professional fees (Note)	1,209	134
Stamp duty	99	-

Note: The significant increase in professional fees is mainly due to the legal and other fees/costs incurred in relation to the extension of the repayment of the loans and borrowings.

17 Earnings per unit

	Group	
	6 months ended 30 June 2022	6 months ended 30 June 2021
Earnings per Unit ("EPU")		
Weighted average number of Units in issue ('000)	792,090	779,275
Basic EPU (cents)	(7.13)	0.37
Diluted EPU		
Weighted average number of Units outstanding ('000)	792,118	781,933
Diluted EPU (cents)	(7.13)	0.37

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F. Notes to the condensed interim consolidated financial statements (cont'd)

17 Earnings per unit (cont'd)

EPU is calculated based on (loss)/profit for the period and weighted average number of units as at the end of each period.

Diluted EPU is calculated based on (loss)/profit for the period and weighted average number of units outstanding during the period, adjusted for the effects of all dilutive potential units arising from issuance of estimated units of Trustee-Manager's fees.

18 Distribution per unit

	Group	
	6 months ended 30 June 2022	6 months ended 30 June 2021
<u>Distribution per unit ("DPU")</u>		
Number of Units issued and to be issued at end of period ('000)	804,472	784,694
Number of Units not entitled to distribution under Distribution Waiver ('000)	-	(82,441)
Number of Units entitled to distribution under Distribution Waiver ('000)	804,472	702,253
<u>Based on the number of Units in issue and to be issued at end of period ('000)</u>		
- With Distribution Waiver (cents)	N.A. ⁽ⁱ⁾	2.98
- Without Distribution Waiver (cents)	N.A.	2.67
<u>Annualised distribution yield (%)</u>		
- Based on Offering price of S\$0.80:		
- With Distribution Waiver	N.A. ⁽ⁱ⁾	7.51
- Without Distribution Waiver	N.A.	6.72
- Based on closing price ⁽ⁱ⁾ :		
- With Distribution Waiver	N.A. ⁽ⁱ⁾	10.19
- Without Distribution Waiver	N.A.	9.12

(i) 1H2022 is based on closing price of S\$0.32 per unit as at 30 June 2022.
1H2021 is based on closing price of S\$0.59 per unit as at 30 June 2021.

(ii) Not applicable. The distribution waiver arrangement of the Trust as disclosed in Prospectus dated 13 January 2017 has ended after the books closure date for distributions in respect of the distribution period up to and including 31 December 2021.

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F. Notes to the condensed interim consolidated financial statements (cont'd)

19 Distribution

	Group	
	6 months ended 30 June 2022	6 months ended 30 June 2021
	S\$'000	S\$'000
(Loss) / Profit for the period	(56,440)	2,922
Distribution adjustments (Note A)	62,628	18,005
Amount available for distribution	6,188	20,927
Amount retained (Note B)	(6,188)	-
Amount available for distribution to unitholders at end of the period	-	20,927
Note A Distribution adjustments		
Amortisation of intangible assets	36	31
Amortisation of capitalised borrowing costs	1,876	5,222
Deferred income tax expense	(12,401)	5,854
Depreciation of plant and equipment	44	71
Loss allowance on receivables	-	2,667
Loan repayment	(1,015)	(3,278)
Net change in fair value of derivative financial instruments	(220)	(769)
Net change in fair value of investment properties	64,032	(1,032)
Recognition of rental income on a straight line basis over the lease term	(428)	730
Trustee-Manager's fees paid/payable in units	3,355	3,405
Unrealised exchange loss	7,304	5,815
Other adjustments	45	(711)
	62,628	18,005

Note A: Included in other adjustments for 1H2022 is an amount of S\$nil (1H2021: S\$0.7 million) which is set aside for future repayment of interest and related costs of loan facilities.

Note B: The Trust had retained distribution income and deferred distribution for the 6-month period ended 30 June 2022 for prudent cashflow and capital management in view of the continued uncertainties arising from the Covid-19 situation in China.

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F. Notes to the condensed interim consolidated financial statements (cont'd)

20 Distribution paid to Unitholders

Tax-exempt income distribution: 1.84 cents per unit for the period from 1 July 2021 to 31 December 2021 (1HFY2021: 1.79 cents per unit for the period from 7 July 2020 to 31 December 2020)

Capital distribution: 0.4 cents per unit for the period from 1 July 2021 to 31 December 2021 (1HFY2021: 0.17 cents per unit for the period from 7 July 2020 to 31 December 2020)

Group	
6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000
13,093	10,514
2,846	998
15,939	11,512

The distribution waiver arrangement of the Trust as disclosed in Prospectus dated 13 January 2017 has ended after the books closure date for distributions in respect of the distribution period up to and including 31 December 2021.

The Trustee-Manager distributes at least 90.0% of the Trust's amount available for distribution with the actual level of distribution to be determined at the discretion of the Board of Directors of the Trustee-Manager.

21 Segment information

The Group has 7 (2021:7) reportable segments, as described below, which are the Group's investment properties. The investment properties are managed separately because they require different operating and marketing strategies. For each of the investment properties, the Management reviews internal management reports on a monthly basis. All of the Group's reportable segments are investment properties located in PRC used primarily for retail purposes. The reporting segments are as follows:

- Shiqi Metro Mall
- Xiaolan Metro Mall
- Ocean Metro Mall
- Dasin E-Colour
- Doumen Metro Mall
- Shunde Metro Mall
- Tanbei Metro Mall

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F. Notes to the condensed interim consolidated financial statements (cont'd)

22 Reportable segments (Group)

	Shiqi Metro Mall		Xiaolan Metro Mall		Ocean Metro Mall		Dasin E-Colour		Doumen Metro Mall		Shunde Metro Mall		Tanbei Metro Mall		Total	
	6 months ended 30 June 2022	6 months ended 30 June 2021	6 months ended 30 June 2022	6 months ended 30 June 2021	6 months ended 30 June 2022	6 months ended 30 June 2021	6 months ended 30 June 2022	6 months ended 30 June 2021	6 months ended 30 June 2022	6 months ended 30 June 2021	6 months ended 30 June 2022	6 months ended 30 June 2021	6 months ended 30 June 2022	6 months ended 30 June 2021	6 months ended 30 June 2022	6 months ended 30 June 2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenues:																
- Gross rental income	9,808	10,257	10,036	10,998	4,936	5,881	887	1,309	7,786	7,862	8,533	8,592	490	664	42,476	45,563
- Others	1,032	1,162	830	942	1,009	1,075	112	170	1,095	1,232	1,017	1,137	100	55	5,195	5,773
Gross revenue	10,840	11,419	10,866	11,940	5,945	6,956	999	1,479	8,881	9,094	9,550	9,729	590	719	47,671	51,336
Segment net property income	8,827	9,549	9,064	10,131	4,210	5,111	628	1,035	6,852	6,606	7,941	7,851	487	614	38,009	40,897
Finance income	379	390	252	200	401	328	22	32	198	43	53	52	8	12	1,315	1,057
Finance costs	3	4	-	-	2,019	2,258	-	-	2,610	2,505	2,833	2,792	90	141	7,555	7,700
Segment assets	622,549	769,254	455,313	493,012	373,810	397,639	62,884	66,000	424,845	450,279	530,726	544,826	19,611	23,199	2,489,738	2,744,209
Segment liabilities	249,990	381,624	198,444	208,735	260,986	268,677	50,976	50,589	262,465	270,676	325,505	331,723	24,988	27,365	1,373,354	1,539,389
Other segment items:																
Depreciation and amortisation	40	38	11	10	9	8	6	5	6	11	3	22	5	7	80	102
Net change in fair value of investment properties	11,122	1,574	13,251	4,818	13,550	(2,853)	852	539	14,908	(4,192)	9,340	(963)	1,008	44	64,032	(1,032)
Loss allowance on receivables	3,362	659	3,261	522	890	838	1,297	319	996	40	1,040	186	512	103	11,358	2,667
Capital expenditure	126	52	33	250	2	374	0	11	221	38	0	-	(152)	1	231	726

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F. Notes to the condensed interim consolidated financial statements (cont'd)

Reconciliation of reportable segment revenue, profit before income tax, assets and liabilities and other material items

	Group	
	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000
Revenue		
Total revenue for reporting segments	47,671	51,336
Total profit/(loss) before income tax		
Total profit for reportable segments before income tax	(43,620)	32,618
Unallocated amounts:		
- Other corporate expenses	(20,827)	(19,220)
- Elimination of intercompany transactions	(823)	(532)
(Loss)/ Profit before income tax	(65,270)	12,866

	Group	
	As at 30 June 2022 S\$'000	As at 31 December 2021 S\$'000
Assets		
Total assets for reportable segments	2,489,738	2,595,653
Other unallocated amounts	7,748	11,987
Elimination of intercompany balances	(88,659)	(67,623)
Consolidated assets	2,408,827	2,540,017

Liabilities		
Total liabilities for reportable segments	1,373,354	1,417,163
Other unallocated amounts	695,862	683,978
Elimination of intercompany balances	(665,692)	(674,795)
Consolidated liabilities	1,403,524	1,426,346

	Reportable segment totals S\$'000	Unallocated amounts S\$'000	Elimination of intercompany transactions S\$'000	Consolidated totals S\$'000
Other material items for 6 months ended 30 June 2022				
Finance income	1,315	8	(823)	500
Finance costs	7,555	7,798	-	15,353
Other material items for 6 months ended 30 June 2021				
Finance income	1,057	23	(532)	548
Finance costs	7,700	9,820	-	17,520

Geographical segments

All of the Group's investment properties are located in the People's Republic of China.

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F. Notes to the condensed interim consolidated financial statements (cont'd)

23 Significant related party transactions

Other than as disclosed elsewhere in the financial statements, there were the following significant related party transactions for the financial period based on agreed terms between the parties.

	Group	
	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000
Commercial management fees paid/payable to a related party		
- management fee	469	516
- reimbursement of expenses at cost	902	814
Property management fees paid/payable to a related party		
- management fee	469	516
- reimbursement of expenses at cost	2,459	3,822
Lease rental received/receivable from related parties		
- lease rental income ⁽¹⁾	5,605	10,168
- reimbursement of expenses at cost	425	941
Lease rental paid/payable	34	32
Other revenue from related parties	74	500
Other property operating expenses paid/payable to related parties	36	168
Advances from a beneficiary of the ultimate controlling party of the Trust	-	2,250
Interest free loans from shareholders	13,959	-
Advances from related parties	124	32

⁽¹⁾ Included in this amount was rental rebate (excluding the straight-line basis over the term of the lease) of S\$42,000 (FY2020: S\$1.5 million) for FY2021. Rental rebate (excluding the straight-line basis over the term of the lease) of S\$42,000 (2H2020: Nil) for 2H2021 which has been deducted against the lease rental income.

In 1H2022, the Group waived the interest and the penalty for late payment of lease rental from related parties, in the ordinary course of business, amounting to S\$990,000 (1H2021: S\$386,000).

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F. Notes to the condensed interim consolidated financial statements (cont'd)

24 Financial Assets and Financial Liabilities

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group	Carrying amount				Fair value			
	Financial assets at amortised cost \$'000	FVTPL \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2022								
Financial assets not measured at fair value								
Trade and other receivables	17,720	-	-	17,720	-	-	-	-
Cash and cash equivalents	108,413	-	-	108,413	-	-	-	-
	126,133	-	-	126,133	-	-	-	-
Financial assets measured at fair value								
Financial derivative assets	-	239	-	239	-	239	-	239
Financial liabilities not measured at fair value								
Trade and other payables	-	-	41,668	41,668	-	-	-	-
Security deposits	-	-	15,766	15,766	-	-	-	-
Loans and borrowings	-	-	943,836	943,836	-	948,997	-	948,997
	-	-	1,001,270	1,001,270	-	948,997	-	948,997
Financial liabilities measured at fair value								
Financial derivative liabilities	-	-	-	-	-	-	-	-
As at 31 December 2021								
Financial assets not measured at fair value								
Trade and other receivables	23,105	-	-	23,105	-	-	-	-
Cash and cash equivalents	119,222	-	-	119,222	-	-	-	-
	142,327	-	-	142,327	-	-	-	-
Financial assets measured at fair value								
Financial derivative assets	-	47	-	47	-	47	-	47
Financial liabilities not measured at fair value								
Trade and other payables	-	-	30,819	30,819	-	-	-	-
Security deposits	-	-	17,362	17,362	-	-	-	-
Loans and borrowings	-	-	954,084	954,084	-	961,816	-	961,816
	-	-	1,002,265	1,002,265	-	961,816	-	961,816
Financial liabilities measured at fair value								
Financial derivative liabilities	-	27	-	27	-	27	-	27

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G. Notes to the condensed interim consolidated financial statements (cont'd)

24 Financial Assets and Financial Liabilities (cont'd)

	Carrying amount				Fair value			
	Financial assets at amortised cost \$'000	FVTPL \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Trust								
As at 30 June 2022								
Financial assets not measured at fair value								
Trade and other receivables	418	-	-	418	-	-	-	-
Cash and cash equivalents	7,447	-	-	7,447	-	-	-	-
	7,865	-	-	7,865	-	-	-	-
Financial assets measured at fair value								
Financial derivative assets	-	239	-	239	-	239	-	239
Financial liabilities not measured at fair value								
Trade and other payables	-	-	126,837	126,837	-	-	-	-
Loans and borrowings	-	-	673,813	673,813	-	674,313	-	674,313
	-	-	800,650	800,650	-	674,313	-	674,313
Financial liabilities measured at fair value								
Financial derivative liabilities	-	-	-	-	-	-	-	-
As at 31 December 2021								
Financial assets not measured at fair value								
Trade and other receivables	389	-	-	389	-	-	-	-
Cash and cash equivalents	11,720	-	-	11,720	-	-	-	-
	12,109	-	-	12,109	-	-	-	-
Financial assets measured at fair value								
Financial derivative assets	-	47	-	47	-	47	-	47
Financial liabilities not measured at fair value								
Trade and other payables	-	-	107,821	107,821	-	-	-	-
Loans and borrowings	-	-	677,378	677,378	-	679,329	-	679,329
	-	-	785,199	785,199	-	679,329	-	679,329
Financial liabilities measured at fair value								
Financial derivative liabilities	-	27	-	27	-	27	-	27

Measurement of fair value

The following table shows the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique
Loans and borrowings	Discounted cash flows: The fair value is based on the present value of future payments, discounted at the market rate of interest at the measurement date.
Financial derivatives– interest rate swaps	Market comparison technique: The fair values are based on bank quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

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OTHER INFORMATION PURSUANT TO LISTING RULE APPENDIX 7.2 OF SGX LISTING MANUAL

1. Review of performance of the Group

(i) Investment Properties

Investment properties (RMB-denominated assets) decreased by S\$114.9 million as at 30 June 2022 compared to 31 December 2021. The decrease in fair value of the investment properties as at 30 June 2022 compared to 31 December 2021 is primarily due to the ongoing market disruption to rental rates caused by COVID-19 pandemic, which continued to affect market activity and rental performance in many property sectors. In addition, the decrease in turnover rent and negative reversion rental rate from some newly signed leases during the 6-month period ended 30 June 2022 also contributed to the decrease in valuation of the investment properties as at 30 June 2022. The decrease in fair value of the investment properties as at 30 June 2022 is also contributed by foreign exchange due to weakening of Renminbi (RMB) against Singapore dollars as the investment properties are denominated in RMB.

(ii) Subsidiaries (Trust)

The increase is due to the Trust recognising a net unrealised foreign exchange gain of S\$1.7 million in 1H2022, relating to the USD-denominated and RMB-denominated loans extended to the subsidiaries as at 30 June 2022.

(iii) Deferred Tax Liabilities

Deferred tax liabilities decreased by S\$22 million as at 30 June 2022 is mainly attributable to write back of deferred tax liability of S\$9.7 million arising from the net fair value loss of S\$64 million of the investment properties, the exchange loss of S\$9.4 million from the weakening of RMB against SGD for the RMB-denominated assets and the S\$2.6 million arising from the changes in loss allowance on receivables.

(a) Revenue

(i) Breakdown of revenue for 1H2022 vs 1H2021

	6 months ended 30 June 2022	6 months ended 30 June 2021	% change	6 months ended 30 June 2022	6 months ended 30 June 2021	% change
	RMB'000	RMB'000		S\$'000	S\$'000	
Revenue:						
Shiqi Metro Mall	51,497	55,305	(7)	10,840	11,419	(5)
Xiaolan Metro Mall	51,621	57,824	(11)	10,866	11,940	(9)
Ocean Metro Mall	28,243	33,690	(16)	5,945	6,956	(15)
Dasin E-Colour	4,746	7,163	(34)	999	1,479	(32)
Doumen Metro Mall	42,191	44,045	(4)	8,881	9,094	(2)
Shunde Metro Mall	45,369	47,120	(4)	9,550	9,729	(2)
Tanbei Metro Mall	2,803	3,482	(20)	590	719	(18)
	226,469	248,629	(9)	47,671	51,336	(7)

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OTHER INFORMATION PURSUANT TO LISTING RULE APPENDIX 7.2 OF SGX LISTING MANUAL (CONT'D)

- (ii) Breakdown of revenue before adjustment for straight-lining basis over the lease term (SLA) and after adjustment for SLA for 1H2022 vs 1H2021

	6 months ended 30 June 2022			6 months ended 30 June 2021		
	Before adjustment for SLA S\$'000	Straight-lining basis over the lease term (SLA) S\$'000	After adjustment for SLA S\$'000	Before adjustment for SLA S\$'000	Straight-lining basis over the lease term (SLA) S\$'000	After adjustment for SLA S\$'000
Revenue:						
Shiqi Metro Mall	10,982	(142)	10,840	11,628	(209)	11,419
Xiaolan Metro Mall	11,288	(422)	10,866	12,318	(378)	11,940
Ocean Metro Mall	5,974	(29)	5,945	7,177	(221)	6,956
Dasin E-Colour	1,199	(200)	999	1,458	21	1,479
Doumen Metro Mall	8,510	371	8,881	9,400	(306)	9,094
Shunde Metro Mall	8,683	867	9,550	9,391	338	9,729
Tanbei Metro Mall	607	(17)	590	694	25	719
	47,243	428	47,671	52,066	(730)	51,336

- (iii) Breakdown of net property income for 1H2022 vs 1H2021

	6 months ended 30 June 2022	6 months ended 30 June 2021	%	6 months ended 30 June 2022	6 months ended 30 June 2021	%
	RMB'000	RMB'000	change	S\$'000	S\$'000	change
Net property income:						
Shiqi Metro Mall	41,934	46,251	(9)	8,827	9,549	(8)
Xiaolan Metro Mall	43,060	49,069	(12)	9,064	10,131	(11)
Ocean Metro Mall	20,000	24,754	(19)	4,210	5,111	(18)
Dasin E-Colour	2,983	5,010	(40)	628	1,035	(39)
Doumen Metro Mall	32,552	31,993	2	6,852	6,606	4
Shunde Metro Mall	37,725	38,025	(1)	7,941	7,851	1
Tanbei Metro Mall	2,314	2,974	(22)	487	614	(21)
	180,568	198,075	(9)	38,009	40,897	(7)

Revenue of S\$47.7 million for 1H2022 was lower than revenue of S\$51.3 million for 1H2021 by approximately S\$3.6 million or 7.1% mainly due to lower revenue contribution from Shiqi Metro Mall, Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour, due to COVID-related restrictions on travel and social distancing measures in certain parts of China as China faced its worst COVID-19 outbreak since the height of the pandemic in early 2020.

Revenue before adjustment for straight-lining basis over the lease term (non-cash) for all the malls for 1H2022 was lower by approximately S\$4.8 million or 9%, compared to those of 1H2021, owing to the impact from COVID-19.

(b) Net property income

The net property income margin ("NPI margin") of the Group remained unchanged at 79.7% for 1H2022 compared to 1H2021. Net Property expenses decrease by S\$0.78 million with lower property tax expense of S\$0.6 million and Commercial Manager's fees.

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(c) Trustee-Manager's fees

The Trustee-Manager's fees comprise the base fee of management fee and trustee fee. The base fee of management fee was calculated based on 0.25% per annum of the value of the trust property of the Group ("Trust Property") and the trustee fee was 0.02% per annum of the value of the Trust Property, excluding out of pocket expenses and GST. The Trustee-Manager has elected to receive 100% of the base fee of management fee and the trustee fee in the form of unit for FY2022.

Trustee-Manager's fees for 1H2022 decreased slightly by S\$0.05 million compared to 1H2021 due to decrease in total assets.

(d) Exchange loss

Exchange loss for 1H2022 of S\$7.7 million was mainly due to an unrealised exchange loss of S\$7.3 million from weakening of SGD against USD and HKD, arising from the USD and HKD denominated bank loans of US\$163.9 million and HKD 294.0 million respectively.

(e) Loss allowance on receivables

Loss allowance on receivables in 1H2022 was higher compared to 1H2021 mainly due to higher allowance made of about S\$8.7 million due to slower repayment by tenants affected by Covid-19.

(f) Other income/(expense)

This income arose from net change in the fair value of derivative financial instruments in the re-measurement of the interest rate swaps as at the respective reporting dates, which were entered into by the Trust to hedge the floating interest rate risk of its loans and borrowings.

(g) Finance costs

The decrease in finance costs in 1H2022 of S\$2.1 million was due to lower amortisation of S\$3.3 million offset by increase in interest expense on bank borrowings of S\$1.4 million. The amortisation relates to the loan extension fee for the offshore syndicated term loan of S\$242,000,000 and US\$134,286,000 pertaining to the Initial Portfolio and Shiqi Metro Mall of S\$422.5 million in 1H2021, with no such amortisation in 1H2022,

(h) Income tax credit / (expense)

Income tax credit was S\$8.8 million in 1H2022 compared to income tax expense of S\$9.9 million in 1H2021 were mainly due to the following:

- (a) The rental management companies of Xiaolan Metro Mall and Shiqi Metro Mall have incurred income tax expenses of S\$3.0 million for 1H2022 compared to S\$3.5 million for 1H2021. The income tax expense is calculated based on the statutory income tax rate of 25%.
- (b) Withholding tax of 5% is provided on the undistributed statutory earnings of the PRC subsidiaries and dividends paid to Singapore subsidiaries. There is no change in amount of S\$0.5 million for 1H2022 compared to 1H2021.
- (c) Write back of deferred tax liability to statement of profit or loss as explained in Note 1(iii) on page 35.

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OTHER INFORMATION PURSUANT TO LISTING RULE APPENDIX 7.2 OF SGX LISTING MANUAL (CONT'D)

2. Analysis of consolidated statement of cash flows

- (i) Net cash generated from operating activities for 1H2022 remained positive and stable at S\$21.6 million compared to that of S\$21.7 million in 1H2021.
- (ii) Net cash generated from investing activities for 1H2022 was S\$0.08 million compared to net cash used of S\$0.08 million in 1H2021. The increase was due to lesser capital expenditure of S\$0.4 million spent on asset enhancement initiative ("AEI") for investment properties, offset by lower interest received of S\$0.3 million.
- (iii) Net cash used in financing activities for 1H2022 was S\$29.4 million. This was due to repayment of borrowings of S\$14.8 million offset by interest free loan from shareholders of S\$13.9 million, payment of distributions to unitholders of S\$15.9 million and payment of finance costs of S\$13.2 million.

Net cash generated from financing activities for 1H2021 was S\$23.5 million. This was due to repayment of bank borrowings of S\$16.5 million, payment of distributions to unitholders of S\$11.5 million, payment of finance costs of S\$13 million and payment of loan transaction costs of S\$2.5 million, offset by the withdrawal of cash pledged of S\$20 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Trust has not disclosed any forecast for FY2022.

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OTHER INFORMATION PURSUANT TO LISTING RULE APPENDIX 7.2 OF SGX LISTING MANUAL (CONT'D)

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

China's GDP grew 2.5% year-on-year in 1H2022. The expansion is fuelled by a quick recovery in economic activities and the efficient execution of a slew of positive policies. National urban disposable income and expenditure per capita increased 3.6% and 0.8% respectively in 1H2022¹. National retail sales contracted 0.7% in 1H2022, but it went up by 3.1% in June, reversing the declines seen in April and May².

In 1H2022, Zhongshan City's GDP and retail sales improved by 1.0% and 2.7% year-on-year respectively³. Over the same period, Zhuhai City's GDP increased 2.0% but retail sales decreased 1.7% year-on-year⁴. In addition, Foshan City's GDP and retail sales enhanced 2.8% and 1.1% year-on-year respectively⁵.

On 19 March 2022, the Trust entered into a non-binding memorandum of understanding (the "MOU") with Wuhu Yuanche Bisheng Investment Center (Limited Partnership) (the "Purchaser") for the Trust's willingness to explore with the Purchaser a proposal on the potential divestment of Shiqi Metro Mall and Xiaolan Metro Mall. The Purchaser is a buyout fund with institutional and private investors and will be managed jointly by GSUM Real Estate Fund Management Co., Ltd. and a subsidiary of Sino-Ocean Capital Holding Limited.

The Federal Reserve announced an interest rate hike in May 2022, increasing the rate by 50 basis points⁶ and another interest rate hike in July 2022, increasing the rate by 75 basis points to a range of 2.25% to 2.5%⁷. Another interest rate hike is expected by end of the year. As part of the Trustee-Manager's proactive capital management strategy, the Trustee-Manager will continue to manage the risks associated with interest rates volatility.

The Trust's revenue is derived primarily from Chinese Renminbi (RMB) and certain loans are denominated in United States dollar (USD) / Hong Kong dollar (HKD). Thus, the fluctuations of the USD / HKD against SGD and SGD against RMB will affect the performance of the Trust. To manage this exposure, the Trust is monitoring the currency exchange movement proactively and will manage its exposure to adverse movements in foreign currency exchange rates through suitable financial instruments.

As stated in the Trust's announcement dated 20 June 2022, the onshore and offshore facilities pertaining to Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour and Shiqi Metro Mall have been extended by approximately six months from 19 June 2022 to 31 December 2022.

In addition, the offshore syndicated term loan facility of up to the equivalent of S\$132.9 million relating to acquisition of Shunde Metro Mall and Tanbei Metro Mall have granted approval to an extension up to 31 December 2022 from 17 July 2022.

The Trustee-Manager has been working closely with the Lenders for the refinancing exercise and exploring potential proposals including but not limited to the disposal of the certain Trust assets, partnership with strategic investors, and alternative fund raising activities. The Trustee-Manager hopes to see a successful conclusion to the refinancing exercise before 31 December 2022.

¹ http://www.stats.gov.cn/english/PressRelease/202207/t20220718_1886649.html

² National Bureau of Statistics of China.

³ Zhongshan Municipal Bureau of Statistics.

⁴ Zhongshan Municipal Bureau of Statistics.

⁵ Statistics Bureau of Foshan.

⁶ <https://www.cnbc.com/2022/05/04/fed-raises-rates-by-half-a-percentage-point-the-biggest-hike-in-two-decades-to-fight-inflation.html>

⁷ <https://www.forbes.com/advisor/investing/another-75-point-fed-rate-increase/>

DASIN RETAIL TRUST
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For the six months and year period ended 31 December 2021

OTHER INFORMATION PURSUANT TO LISTING RULE APPENDIX 7.2 OF SGX LISTING MANUAL (CONT'D)

5. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable as the Group's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

Under Rule 705(2) of the Listing Manual of the SGX-ST ("Listing Manual"), the Group is required to announce its financial statements on a quarterly basis ("Quarterly Reporting") as its auditors had stated that a material uncertainty relating to going concern exists in the Group's latest financial statements ("Emphasis of Matter"). Under Rule 705(2A) of the Listing Manual, the Group had a grace period of one year commencing on 8 Apr 2021 (being the date of the Emphasis of Matter) to comply with the Quarterly Reporting requirement, and the Group must continue to comply with the Quarterly Reporting requirement for so long as any condition in Rule 705(2) is met. Accordingly, as the aforesaid grace period has expired and the Emphasis of Matter (being a condition in Rule 705(2)) is still subsisting, the Group will carry out Quarterly Reporting for the third quarter ending 30 September 2022 and thereafter, for so long as any condition in Rule 705(2) is met.

6. Distribution

- (a) Any distribution declared / recommended for the current period?

No distribution is declared for the 6-month period ended 30 June 2022 for prudent cashflow and capital management in view of the continued uncertainties arising from the Covid-19 situation in China.

- (b) Any distribution declared / recommended for the previous corresponding period?

Yes.

Name of distribution	Distribution for the period from 1 January 2021 to 30 June 2021
Distribution type	(a) Capital distribution
Distribution rate	(a) Capital distribution : 2.98 cents per unit
Tax rate	Capital distribution Capital distribution represents a return of capital to Unitholders for Singapore income tax purpose and its therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of DRT units, the amount of capital distribution will be applied to reduce the cost base of their DRT units for Singapore income tax purposes.

- (c) Date payable

N.A.

- (d) Record Date

N.A.

7. Interested person transactions

The Group has not obtained a general mandate from the Unitholders for interested person transactions for the financial period under review.

Descriptions of present and ongoing interested person transactions are set out on pages 304 to 321 of the Prospectus dated 13 January 2017, interested person transactions set out on pages 13 and 14 of the Circular in relation to acquisition of Doumen Metro Mall dated 1 August 2019 and set out on pages 22 to 29 of the Circular in relation to acquisition of Shunde Metro Mall and Tanbei Metro Mall dated 5 December 2019.

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OTHER INFORMATION PURSUANT TO LISTING RULE APPENDIX 7.2 OF SGX LISTING MANUAL (CONT'D)

8. Confirmation pursuant to rule 720(1) of the Listing Manual

The Trustee-Manager confirms that it has procured undertakings from all Directors and Executive Directors and Officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

9. Confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of the Trustee-Manager has confirmed to the best of its knowledge, nothing has come to its attention which may render the unaudited condensed interim consolidated financial statements for the six months ended 30 June 2022 to be false or misleading, in any material respect.

On behalf of the Board of the Trustee-Manager
Dasin Retail Trust Management Pte. Ltd.

Dr. Kong Weipeng
Chairman and Non-Executive Director

Wang Qiu
Chief Executive Director

This release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental, public policy changes, and the continued availability of financing. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager's current view of future events.

The value of units in the Trust ("Units") and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Trustee-Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of the Group is not necessarily indicative of the future performance of the Group.

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

By Order of the Board
Dasin Retail Trust Management Pte. Ltd.
(as Trustee-Manager of Dasin Retail Trust)
(Company registration no. 201531845N)

Lun Chee Leong
Company Secretary
14 August 2022