



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 and year ended 31 December 2021

DASIN RETAIL TRUST
Unaudited Condensed Interim Consolidated Financial Statements
For the six-month period and year ended 31 December 2021

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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, Donggu District, Zhongshan, Guangdong Province, PRC	South Tower, No. 4 Qitou 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	
Term of lease (years)	24	28	31	30	40	40	40	
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 and 27 July 2071 for residential use.

(2) The expiry date of the land use rights of Tanbei Metro Mall is 23 September 2038 for commercial use and 23 September 2068 for residential use.

Occupancy rate of the seven malls was 93.9% as at 31 December 2021 (31 December 2020: 96.5%).

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.

In 2016, the Trust entered into a master lease agreement at Dasin E-Colour for NLA of 4,593 sq m with Zhongshan Dasin Metro-Mall Merchant Investment Co., Ltd. (the “E-Colour Master Lease Agreement”). The E-Colour Master Lease Agreement was renewed for three years to 1 March 2022 when it was expired on 1 March 2019. On 22 February 2022, the E-Colour Master Lease Agreement was renewed on the same terms for two years to 1 March 2024.

On 26 December 2016, the Trust entered into a master lease agreement at Xiaolan Metro Mall for GFA of 14,940.5 sq m with Zhongshan Dasin Metro-Mall Merchant Investment Co., Ltd. (the “Xiaolan Master Lessee”) for 10 years from 26 September 2017 to 25 September 2027 (the “Xiaolan Master Lease Agreement”). The Xiaolan Master Lessee paid a security deposit of RMB21 million (equivalent to 12 months of rental in 2018) according to the Xiaolan Master Lease Agreement. On 15 September 2021, the security deposit was reduced from RMB21 million to approximately RMB4.05 million (equivalent to two months of current rental) based on the current market practice and normal commercial terms. On 31 December 2021, the GFA of Xiaolan Master Lease Agreement reduced by 523 sq m to 14,417 sq m following an asset enhancement initiative (“AEI”) at Xiaolan Metro Mall.

As at 31 December 2021, the Trust has 12 Right of First Refusal (“ROFR”) properties from the Sponsor, Zhongshan Dasin Real Estate Co., Ltd.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A. Condensed interim statements of financial position

	Note	Group		Trust	
		As at 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Investment properties	3	2,395,995	2,345,729	-	-
Plant and equipment		237	365	-	-
Intangible assets		427	387	-	-
Subsidiaries	4	-	-	912,373	901,568
Other receivables	5	466	-	-	-
		2,397,125	2,346,481	912,373	901,568
Current assets					
Trade and other receivables	5	23,623	20,304	589	515
Derivative financial assets	8	47	-	47	-
Cash and bank balances	6	119,222	142,504	11,720	18,900
		142,892	162,808	12,356	19,415
Total assets		2,540,017	2,509,289	924,729	920,983
Non-current liabilities					
Loans and borrowings	7	198,233	422,744	-	233,066
Derivative financial liabilities	8	-	890	-	890
Deferred tax liabilities	9	420,432	406,612	-	-
Trade and other payables	10	1,620	7,190	53,109	8,098
		620,285	837,436	53,109	242,054
Current liabilities					
Loans and borrowings	7	755,851	516,730	677,378	437,123
Derivative financial liabilities	8	27	-	27	-
Trade and other payables	10	31,459	31,122	54,815	63,940
Security deposits		17,362	19,938	-	-
Current tax liabilities		1,362	1,712	-	-
		806,061	569,502	732,220	501,063
Total liabilities		1,426,346	1,406,938	785,329	743,117
Net assets		1,113,671	1,102,351	139,400	177,866
Represented by:					
Units in issue	11	267,051	282,032	267,051	282,032
Other reserves	12	846,620	820,319	(127,651)	(104,166)
		1,113,671	1,102,351	139,400	177,866
Net asset value per unit attributable to Unitholders (S\$)	13	1.40	1.41	0.18	0.23

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B. Condensed interim consolidated statement of profit or loss

	Group			
	6 months ended 31 December 2021 S\$'000	6 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000
Revenue	49,975	50,399	101,311	87,476
Property related taxes	(3,760)	(3,205)	(7,794)	(4,827)
Property and commercial management fees	(989)	(997)	(2,007)	(1,733)
Property operating expenses	(7,713)	(6,869)	(13,100)	(10,223)
Total property operating expenses	(12,462)	(11,071)	(22,901)	(16,783)
Net property income	37,513	39,328	78,410	70,693
Trustee-Manager's fees	(3,540)	(3,401)	(6,945)	(6,100)
Acquisition fee	-	(2,278)	-	(2,278)
Other trust expenses	(1,807)	(3,225)	(2,744)	(4,300)
Exchange (loss)/gain	(1,439)	11,572	(7,290)	2,427
Other income/(expense)	140	408	909	(284)
(Loss allowance)/reversal on loss allowance on receivables	(6,545)	450	(9,212)	(645)
Finance income	523	634	1,071	1,292
Finance costs	(21,007)	(19,405)	(38,527)	(35,988)
Net income	3,838	24,084	15,672	24,817
Net change in fair value of investment properties	(63,876)	(8,411)	(62,844)	(104,722)
(Loss)/Profit before income tax	(60,038)	15,673	(47,172)	(79,905)
Income tax expense	8,201	(7,573)	(1,743)	7,779
(Loss)/Profit for the period/year	(51,837)	8,100	(48,915)	(72,126)
Attributable to:				
Unitholders of the Trust	(51,837)	8,100	(48,915)	(72,126)
Earnings per unit (cents)				
- Basic	(6.61)	1.05	(6.26)	(10.18)
- Diluted	(6.57)	1.05	(6.22)	(10.15)

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C. Condensed interim consolidated statement of comprehensive income

	Group			
	6 months ended 31 December 2021 S\$'000	6 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000
(Loss)/Profit for the period/year	(51,837)	8,100	(48,915)	(72,126)
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	34,088	41,041	85,730	77,369
Total comprehensive income for the period/year	(17,749)	49,141	36,815	5,243

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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	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	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 2020	194,137	462	782,785	(105,584)	13,928	885,728
Loss for the period	-	-	-	-	(80,226)	(80,226)
Other comprehensive income:						
Foreign currency translation differences - foreign operations, net of tax	-	-	-	36,328	-	36,328
Other comprehensive income for the period	-	-	-	36,328	-	36,328
Transactions with Unitholders:						
Contributions by and distributions to Unitholders						
Distribution to Unitholders						
- Tax-exempt income	-	-	-	-	(3,772)	(3,772)
- Capital	(4,495)	-	-	-	-	(4,495)
Units issued and to be issued as payment for Trustee-Manager's fees	2,699	-	-	-	-	2,699
Total transactions with Unitholders	(1,796)	-	-	-	(3,772)	(5,568)
As at 30 June 2020	192,341	462	782,785	(69,256)	(70,070)	836,262
The Group						
As at 1 July 2020	192,341	462	782,785	(69,256)	(70,070)	836,262
Profit for the period	-	-	-	-	8,100	8,100
Other comprehensive income:						
Foreign currency translation differences - foreign operations, net of tax	-	-	-	41,041	-	41,041
Other comprehensive income for the period	-	-	-	41,041	-	41,041
Reserves to be set aside under PRC laws	-	92	-	-	(92)	-
Transactions with Unitholders:						
Contributions by and distributions to Unitholders						
Distribution to Unitholders						
- Tax-exempt income	-	-	-	-	-	-
- Capital	(9,067)	-	-	-	-	(9,067)
Reserve arising from Shunde and Tanbei Acquisition	-	-	127,257	-	-	127,257
Issue of units - private placement	93,999	-	-	-	-	93,999
Issue expenses	(920)	-	-	-	-	(920)
Units issued as payment for Trustee-Manager's acquisition fees	2,278	-	-	-	-	2,278
Units issued and to be issued as payment for Trustee-Manager's fees	3,401	-	-	-	-	3,401
Total transactions with Unitholders	89,691	-	127,257	-	-	216,948
As at 31 December 2020	282,032	554	910,042	(28,215)	(62,062)	1,102,351

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

	Units in issue S\$'000	Accum- ulated 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 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 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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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 2020	194,137	(81,028)	113,109
Loss for the period	-	(19,235)	(19,235)
Total comprehensive income for the period	-	(19,235)	(19,235)
Transactions with Unitholders:			
Contributions by and distributions to Unitholders			
Distribution to Unitholders			
- Tax-exempt income	-	(3,772)	(3,772)
- Capital	(4,495)	-	(4,495)
Units to be issued as payment for Trustee-Manager's fees	2,699	-	2,699
Total transactions with Unitholders	(1,796)	(3,772)	(5,568)
As at 30 June 2020	192,341	(104,035)	88,306
The Trust			
As at 1 July 2020	192,341	(104,035)	88,306
Loss for the period	-	(131)	(131)
Total comprehensive income for the period	-	(131)	(131)
Transactions with Unitholders:			
Contributions by and distributions to Unitholders			
Distribution to Unitholders			
- Tax-exempt income	-	-	-
- Capital	(9,067)	-	(9,067)
Issue of units - private placement	93,999	-	93,999
Issue expenses	(920)	-	(920)
Units to be issued as payment for Trustee-Manager's acquisition fees	2,278	-	2,278
Units to be issued as payment for Trustee-Manager's fees	3,401	-	3,401
Total transactions with Unitholders	89,691	-	89,691
As at 31 December 2020	282,032	(104,166)	177,866

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E. Condensed interim consolidated statement of cash flows

	Group			
	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 31 December 2021	12 months ended 31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
(Loss)/Profit before income tax	(60,038)	15,673	(47,172)	(79,905)
Adjustments for:				
Amortisation of intangible assets	32	50	63	50
Depreciation of plant and equipment	72	56	143	133
Finance costs	21,007	19,405	38,527	35,988
Finance income	(523)	(634)	(1,071)	(1,292)
Loss allowance/(reversal on loss allowance) on receivables	6,545	(450)	9,212	645
Net change in fair value of derivative financial instruments	(140)	(408)	(909)	284
Net change in fair value of investment properties	63,876	8,411	62,844	104,722
Recognition of rental income on a straight-line basis over the lease term	537	670	1,267	(5,598)
Trustee-Manager's acquisition fees paid in units	-	2,278	-	2,278
Trustee-Manager's fees paid/payable in units	3,540	3,401	6,945	6,100
Operating cash flows before working capital changes	34,908	48,452	69,849	63,405
Changes in working capital:				
Trade and other receivables	(4,464)	15,532	(10,048)	7,127
Trade and other payables	(6,285)	(2,918)	(9,253)	2,593
Cash generated from operations	24,159	61,066	50,548	73,125
Income tax paid	(3,164)	(4,681)	(7,855)	(7,587)
Net cash generated from operating activities	20,995	56,385	42,693	65,538
Investing activities				
Capital expenditure on investment properties	(1,659)	(700)	(2,343)	(6,005)
Interest received	479	620	1,121	1,274
Net cash outflow from acquisition of subsidiaries	-	(100,168)	-	(100,168)
Purchase of intangible assets	(44)	(70)	(86)	(97)
Purchase of plant and equipment	-	-	-	(1)
Government grants	-	-	-	1,073
Net cash (used in) investing activities	(1,224)	(100,318)	(1,308)	(103,924)
Financing activities				
Distributions paid	(20,928)	(9,067)	(32,440)	(17,334)
Withdrawal/(Placement) in cash pledged	(6,185)	(9,811)	13,905	(10,067)
Finance costs paid	(12,734)	(12,356)	(25,709)	(24,591)
Payment of lease liabilities	(47)	(3)	(98)	(56)
Payment of transaction costs on issuance of units	-	(920)	-	(920)
Payment of loan transaction costs	(6,835)	(443)	(9,406)	(9,008)
Proceeds from borrowings	17,693	238,682	17,693	249,182
Repayment of borrowings	(3,813)	(222,401)	(20,302)	(231,063)
Proceeds from issuance of new units	-	93,999	-	93,999
Net cash (used in)/generated from financing activities	(32,849)	77,680	(56,357)	50,142
Net (decrease)/increase in cash and cash equivalents	(13,078)	33,747	(14,972)	11,756
Cash and cash equivalents at the beginning of the period/year	99,616	67,141	98,790	83,211
Effect of exchange rate changes on cash and cash equivalents	1,478	(2,098)	4,198	3,823
Cash and cash equivalents at the end of the period/year	88,016	98,790	88,016	98,790

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

For the purpose of the Condensed Interim Consolidated Statement of Cash Flows, cash and cash equivalents of the Group as at 31 December 2021 and 31 December 2020 are as follows:

	Group	
	12 months ended 31 December 2021	12 months ended 31 December 2020
	S\$'000	S\$'000
Cash and bank balances in Statement of Financial Position	119,222	142,504
Less: Restricted cash	(31,206)	(43,714)
Cash and cash equivalents in Statement of Cash Flows	88,016	98,790

Significant non-cash transactions

- (i) The Trustee-Manager's trustee fee and base management fee for the year ended 31 December 2021 was S\$ 6,945,000 (year ended 31 December 2020: S\$6,100,000). S\$5,173,000 (year ended 31 December 2020: S\$4,392,000) was paid during the year by the issue of 9,454,000 (year ended 31 December 2020: 5,420,000) units. The remaining S\$1,772,000 (year ended 31 December 2020: S\$1,708,000) will be issued subsequent to the year end by the issue of 4,844,000 (year ended 31 December 2020: 2,236,000) units.

(ii) **Acquisition of subsidiaries**

On 8 July 2020, the Trust completed the acquisition of 100% of the equity interests in Singapore Zhi Xin Commercial Holdings Pte Ltd ("Singapore Holdco") (the "Shunde and Tanbei Acquisition"), which indirectly owned Shunde Metro Mall and Tanbei Metro Mall (the "Properties"), together with the rental management company of Shunde Metro Mall, Foshan Shunde Dasin Metro-Mall Commercial Management Co., Ltd., (collectively known as "Shunde and Tanbei Group" or "Special Purpose Entities" or "SPE") for a total consideration of S\$65.1 million.

The above acquisition constituted an acquisition of a business and was accounted for by applying the acquisition method in accordance with International Financial Reporting Standard ("IFRS") 3 *Business Combinations*.

Net cash outflow on acquisition of Shunde Metro Mall and Tanbei Metro Mall is provided below:

	12 months ended 31 December 2020 S\$'000
Investment properties	508,594
Plant and equipment	106
Trade and other receivables	13,995
Cash and cash equivalents	7,104
Trade and other payables	(40,597)
Special Purpose Entities ("SPE") purchase consideration	(20,859)
Loans and borrowings	(201,034)
Deferred tax liabilities	(74,952)
Net identifiable assets acquired and liabilities assumed	192,357
Excess of fair value of net assets acquired over purchase consideration recognised as capital reserve	(127,257)
Purchase consideration	65,100
Add: SPE purchase consideration	20,859
Add: Trade and payables assumed	36,259
Less: cash and cash equivalents of subsidiaries acquired	(7,104)
Less: trade and other payable not yet paid	(16,806)
Net cash outflow on Shunde and Tanbei Acquisition	98,308
Trade and other payable paid for Doumen Metro Mall (note 1)	1,860
Net cash outflow on acquisition of subsidiaries	100,168

Note 1: Doumen Metro Mall was acquired on 12 September 2019.

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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, Chapter 289 of Singapore and the Business Trusts Act, Chapter 31A of Singapore.

The condensed interim consolidated financial statements as at and for the year ended 31 December 2021 comprise the Trust and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The condensed consolidated statement of financial position of Dasin Retail Trust and its subsidiaries as at 31 December 2021 and the related condensed consolidated statement profit or loss and distribution statement, condensed consolidated statements of comprehensive income, condensed consolidated statement of changes in unitholders' funds and condensed consolidated statement of cash flows for the six-month period and year ended and certain explanatory notes have not been audited or reviewed.

For financial reporting purposes under 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, an affiliate of Sino-Ocean Capital Holding Limited became a controlling shareholder of the Trustee-Manager following the completion of the 70% transfer of the total issued and paid-up share capital in the Trustee-Manager from Mr. Zhang Zhencheng to New Harvest.

2. Basis of preparation

2.1 Statement of compliance

The condensed interim financial statements for the year ended 31 December 2021 have been prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting*, and should be read in conjunction with the Trust's last annual consolidated financial statements as at and for the year ended 31 December 2020. 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 2020.

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 31 December 2021, the Group and the Trust were in a negative working capital position with net current liabilities of S\$663,169,000 and S\$719,864,000 respectively. These were mainly due to classification of (i) S\$383,880,000 and USD168,286,000 (S\$226,945,000) and HKD294,000,000 (S\$50,848,000) offshore syndicated term loan equivalent to S\$661,673,000 in aggregate of the Group and the Trust ("Offshore Facilities"), and the revolving loan credit of US\$13,120,000 (S\$17,693,000) and (ii) RMB360,152,000 (S\$76,425,000) onshore syndicated term loan of the Group ("Onshore Facilities") as current liabilities, as the offshore and onshore loans pertaining to the initial portfolio and Shiqi Metro Mall, offshore loans pertaining to Doumen Metro Mall and the offshore loans pertaining to Shunde Metro Mall and Tanbei Metro Mall are due and payable on 19 March 2022, 18 September 2022 and 15 July 2022 respectively.

The Trustee-Manager is in active negotiations with the lenders in relation to the loans and borrowings of the initial portfolio and Shiqi Metro Mall based on indicative terms discussed.

Notwithstanding the above, the Trustee-Manager believes that the Group and the Trust are able to continue receiving financial support from the banks to operate as a going concern for the foreseeable future after considering the following factors and bases:

- (i) As disclosed on page 11, the Group generated net cash of S\$42.7 million and S\$65.5 million from its operating activities for the years ended 31 December 2021 and 31 December 2020 respectively. The Group has sufficient cash and cash equivalents and expects that adequate cashflow will be generated from its operations to meet its working capital needs;
- (ii) New Harvest Investments Limited ("New Harvest"), an affiliate of Sino-Ocean Capital Holding Limited ("Sino Ocean Capital") became a controlling shareholder of the Trustee-Manager on 12 October 2021 following the completion of transfer 70% of the total issued and paid-up share capital in the Trustee-Manager from Mr. Zhang Zhencheng to New Harvest. Sino Ocean Capital currently holds 6.3% of the total issued units in the Trust via its affiliate Glory Class Ventures Limited.

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;

- (iii) the ultimate controlling party of the Trust and the controlling shareholder of the Trustee-Manager (see note 1) are supportive to the Trust and the Group;
- (iv) the Group met the stipulated financial covenants during the year and up to the date of this announcement;
- (v) the Group's business fundamentals are reasonably sound throughout the COVID-19 pandemic; and
- (vi) The Trust's property portfolio is strategically located in the core cities of the Greater Bay Area where there are limited competing properties. The portfolio has stable and growth potential from its resilient lease structure, diversified tenants and business mix as well as balanced mix of mature and growth assets.

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.

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

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 2020.

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 in the financial statements includes deferred taxation on investment properties under Note 3 and going concern assessment under Note 2.2.

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 Note 24.

3. Investment properties

	Group	
	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
At 1 January	2,345,729	1,831,173
Acquisition through business combinations	-	508,594
Capital expenditure	2,343	4,932
	2,348,072	2,344,699
Effects of recognising accounting income on a straight-line basis over the lease term	(1,267)	5,598
Changes in fair value	(62,844)	(104,722)
Translation differences on consolidation	112,034	100,154
At 31 Dec 2021 and 31 Dec 2020	2,395,995	2,345,729

	Group			
	As at 31 December 2021 RMB'000	As at 31 December 2020 RMB'000	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
Investment properties				
Shiqi Metro Mall	2,812,900	2,864,200	596,906	579,840
Xiaolan Metro Mall	2,023,800	2,149,000	429,456	435,052
Ocean Metro Mall	1,675,500	1,705,500	355,546	345,268
Dasin E-Colour	265,000	282,000	56,234	57,089
Doumen Metro Mall	1,974,000	2,015,000	418,889	407,925
Shunde Metro Mall	2,468,250	2,497,800	523,770	505,665
Tanbei Metro Mall	71,600	73,550	15,194	14,890
	11,291,050	11,587,050	2,395,995	2,345,729

Security

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

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

3. Investment properties (cont'd)

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 31 December 2021 and 31 December 2020 were based on independent valuation undertaken by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("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 (31 December 2020: income capitalisation and discounted cash flows approaches) in arriving at the open market value as at the reporting dates.

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 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.

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 2020: from 7.00% to 7.50%) Terminal rate of 4.50% (31 December 2020: 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 2020: 3.00% to 4.00%) Reversionary rate of 4.50% (31 December 2020: 4.50%)	The fair value increases as term yield and reversionary rate decreases.

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

4. Subsidiaries

	Trust	
	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
Unquoted equity, at cost	126,400	126,400
Loans to subsidiaries	785,973	775,168
	912,373	901,568

The loans to subsidiaries of the Trust consist of a S\$456.1 million, US\$124.1 million (S\$167.4 million) and RMB765 million (S\$162.3 million) equivalent to S\$786 million in aggregate, which are unsecured, interest-free and are not expected to be repaid within the next twelve months. These loans were provided to subsidiaries to fund the acquisition of the Initial Portfolio, Shiqi Metro Mall, Doumen Metro Mall, Shunde Metro Mall and Tanbei Metro Mall.

5. Trade and other receivables

	Group		Trust	
	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
<u>Non-current</u>				
Other receivable	466	-	-	-
<u>Current</u>				
Trade receivables - third parties	9,519	4,257	-	-
Loss allowance on receivables	(4,625)	(967)	-	-
	4,894	3,290	-	-
Trade receivables - related parties	9,331	633	-	-
Loss allowance on receivables	(5,758)	(5)	-	-
	3,573	628	-	-
Trade receivables (net)	8,467	3,918	-	-
Other receivables	12,811	15,514	9	8
Loss allowance on receivables	-	(2)	-	-
	12,811	15,512	9	8
Interest receivables	119	162	-	19
Amount due from related parties (non-trade)	1,242	44	-	44
Amount due from subsidiaries (non-trade)	-	-	380	240
Trade and other receivables	22,639	19,636	389	311
Contract costs	77	156	-	-
Prepayment	540	512	200	204
Advances to a supplier	367	-	-	-
	23,623	20,304	589	515

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

5. Trade and other receivables (cont'd)

The trade receivables are mainly from tenants that have good credit records 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\$10.4 million as at 31 December 2021 (31 December 2020: S\$0.972 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.

Included in other receivables was a recoverable net input value-added tax ("VAT") of approximately S\$12.348 million (31 December 2020: S\$15.021 million).

Non-current other receivables of S\$0.466 million (31 December 2020: Nil) relate to a finance lease receivable from a tenant for a period of ten-year.

Amount due from related parties (non-trade) is unsecured, interest free and repayable on demand. There is no allowance for doubtful debts arising from these outstanding balances as the ECL is not material.

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 31 December 2021 of approximately S\$31.2 million (31 December 2020: S\$43.7 million) and S\$6.3 million (31 December 2020: S\$11.9 million) respectively.

Restricted cash included (i) S\$11.0 million (31 December 2020: S\$16.7 million) relating to securities pledged by a subsidiary and the Trust to obtain the term loan facilities (see note 7), (ii) S\$0.4 million and S\$19.1 million (RMB90 million) (31 December 2020: S\$26.3 million (RMB130 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 2020: S\$0.7 million) held by a subsidiary.

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

7. Loans and borrowings

	Group		Trust	
	As at 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Secured borrowings:				
- Amount repayable within one year	757,868	517,606	679,367	437,483
- Amount repayable after one year	201,539	431,182	-	236,933
	959,406	948,788	679,367	674,416
Unsecured borrowings:				
- Amount repayable within one year	-	-	-	-
- Amount repayable after one year	-	-	-	-
	-	-	-	-
Total gross borrowings	959,406	948,788	679,367	674,416
Less capitalised transaction costs	(5,322)	(9,314)	(1,989)	(4,227)
Total borrowings net of transaction costs	954,084	939,474	677,378	670,189
Current	755,851	516,730	677,378	437,123
Non-current	198,233	422,744	-	233,066
Total	954,084	939,474	677,378	670,189

As at 31 December 2021, the Group has the loan facilities comprising:

- Secured syndicated term loan in aggregate of S\$499.5 million (S\$242.0 million, US\$134.3 million (S\$181.1 million) and RMB360.1 million (S\$76.4 million)) relating to acquisition of the Initial Portfolio and Shiqi Metro Mall, are due and payable on 19 March 2022;
- Secured syndicated term loan in aggregate of S\$209.1 million (S\$54.9 million, HKD294 million (S\$50.8 million) and RMB487.5 million (S\$103.4 million)) relating to acquisition of Doumen Metro Mall, out of which, S\$105.7 million (S\$54.9 million and HKD294 million (S\$50.8 million)) are due and payable on 19 September 2022. In addition, 0.25% of the principal loan amount of RMB500 million is repayable on every three months basis with the remainder amount of RMB450 million (S\$95.5 million) payable on 29 August 2029;
- Secured syndicated term loan in aggregate of S\$233 million (S\$87 million, US\$34 million (S\$45.9 million) and RMB472 million (S\$100.1 million)) relating to acquisition of Shunde Metro Mall and Tanbei Metro Mall, out of which, S\$132.9 million (S\$87 million, US\$34 million (S\$45.9 million)) are due and payable on 15 July 2022. In addition, 0.25% of the principal loan amount of RMB478 million is repayable on every three months basis with the remainder amount of RMB455.3 million (S\$96.6 million) payable on 17 July 2025;
- Revolving credit loan facility of US\$13.12 million (S\$17.6 million) due and payable on 28 September 2022.

Details of any collaterals

The above loans and borrowings are secured by legal mortgage over each of the Initial Portfolio and Shiqi Metro Mall, Doumen Metro Mall and Shunde Metro Mall and Tanbei Metro Mall, 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)

8. Financial derivatives

Derivative financial instruments relate to the fair value of the floating-to-fixed interest rate swaps entered into for the hedging of the floating interest rate risk of the loans and borrowings.

9. Deferred tax liabilities

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

10. Trade and other payables

	Group		Trust	
	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
<u>Non-current</u>				
Trade payables	1,061	7,070	-	-
Lease liabilities	559	120	-	-
Amounts due to subsidiaries (non-trade, interest bearing)	-	-	53,109	8,098
	1,620	7,190	53,109	8,098
<u>Current</u>				
Trade payables - third parties	11,233	8,849	-	-
Trade payables - related parties	4,306	3,000	-	-
	15,539	11,849	-	-
Accrued operating expenses	609	2,000	402	335
Amounts due to subsidiaries (non-trade, interest free)	-	-	48,284	44,368
Amounts due to subsidiaries (non-trade, interest bearing)	-	-	-	15,069
Amounts due to related parties (non-trade)	5,265	2,934	5,042	2,682
Interest payables	2,470	3,620	721	1,377
Other payables	5,316	8,042	263	-
	29,199	28,445	54,712	63,831
Receipt in advance from tenants	1,385	1,751	-	-
Other taxes	875	926	103	109
	31,459	31,122	54,815	63,940

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 2020: Nil).

Included in other payables was a construction cost payable to a third party of approximately S\$4.382 million (31 December 2020: S\$7.045 million) which is unsecured, interest bearing with fixed interest rate of 4.35% (31 December 2020: 4.35%) per annum and repayable within the next 12 months.

Trade and other payables as at 31 December 2021 are not due for payment and will be settled in accordance with relevant commercial terms varying from within 30 days to over 90 days from 31 December 2021. Accrued interest payables are settled on the interest payment due date.

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

11. Units in issue

	Group and Trust			
	As at 31 December 2021	As at 31 December 2021	As at 31 December 2020	As at 31 December 2020
	Number of units	S\$'000	Number of units	S\$'000
Units in issue	789,170	265,279	777,480	280,324
Units to be issued				
- Trustee-Manager's fees payable in units	4,844	1,772	2,236	1,708
Total issued and issuable units as at 31 December	794,014	267,051	779,716	282,032

The Group and the Trust had issued and will issue a total of 14,298,110 (year ended 31 December 2020: 10,575,836) units to the Trustee-Manager, amounting to approximately S\$6,945,000 (year ended 31 December 2020: S\$8,378,000) at unit prices ranging from S\$0.3657 to S\$0.7239 (year ended 31 December 2020: S\$0.7642 to S\$0.8294) as satisfaction of the base management fee and trustee fee (year ended 30 December 2020: and acquisition fees) payable in units in respect of the year ended 31 December 2021.

The Trust does not have any units as subsidiary holdings as at 31 December 2021 and 31 December 2020.

The Group and the Trust do not hold any treasury units as at 31 December 2021 and 31 December 2020. The total number of issued units excluding treasury units as at 31 December 2021 and 31 December 2020 was 789,169,807 and 777,480,433 respectively.

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

12. Other reserves

	Note	Group		Trust	
		As at 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020
		S\$'000	S\$'000	S\$'000	S\$'000
Statutory surplus reserve	(i)	674	554	-	-
Capital reserve	(ii)	910,042	910,042	-	-
Foreign currency translation reserve	(iii)	57,515	(28,215)	-	-
Accumulated losses		(121,611)	(62,062)	(127,651)	(104,166)
		846,620	820,319	(127,651)	(104,166)

(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.

(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 2021	30 June 2020	31 December 2021	31 December 2020
Month-end exchange rate SGD/RMB	4.8008	5.0663	4.7125	4.9396
Month-end exchange rate USD/SGD	1.3453	1.3945	1.3486	1.3217
Month-end exchange rate SGD/HKD	5.7727	5.5578	5.7819	5.8665
Average exchange rate SGD/RMB	4.8433	NA	4.7893	NA

13. Net Asset Value per unit

	Group		Trust	
	As at 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020
Number of units issued as at end of the year ('000)	789,170	777,480	789,170	777,480
Number of units to be issued as at end of the year ('000)	4,844	2,236	4,844	2,236
Total number of issued and issuable units at the end of the year ('000)	794,014	779,716	794,014	779,716
Net asset value ("NAV") per unit (S\$):				
- Number of issued units as at end of the year	1.41	1.42	0.18	0.23
- Number of units issued and to be issued at end of the year	1.40	1.41	0.18	0.23

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

14. Finance costs

	6 months ended 31 December 2021 S\$'000	6 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000
Amortisation of capitalised borrowing costs	8,391	5,581	13,613	10,339
Interest expense	325	665	656	665
Interest expense on loans and borrowings	12,274	13,159	24,206	24,984
Interest expense on Right-Of-Use (ROU) assets	17	-	52	-
	21,007	19,405	38,527	35,988

15. Income tax expense

	6 months ended 31 December 2021 S\$'000	6 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000
Current income tax expense - PRC	3,052	3,516	6,609	6,279
Withholding tax expense	496	576	1,029	972
	3,549	4,092	7,639	7,251
Deferred tax (income)/expense relating to origination and reversal of temporary differences	(11,750)	3,481	(5,896)	(15,030)
	(8,201)	7,573	1,743	(7,779)

16. (Loss)/Profit for the period/year

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

	6 months ended 31 December 2021 S\$'000	6 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000
Amortisation of intangible assets	32	50	63	50
Audit fees	254	180	486	398
Expenses relating to acquisition of subsidiaries written off ⁽ⁱ⁾	-	1,885	-	1,885
Facility agent and security agent fees	198	214	397	385
GST expenses	373	240	655	543
Investor relations	60	84	117	172
Loss allowance/(reversal on loss allowance) on receivables	6,545	(450)	9,212	645
Professional fees	828	418	962	622
Stamp duty ⁽ⁱⁱ⁾	-	130	-	130

⁽ⁱ⁾ This related to costs incurred for the Shunde and Tanbei Acquisition.

⁽ⁱⁱ⁾ Stamp duty was one-time transaction cost incurred to acquire Singapore Zhi Xin Commercial Holdings Pte. Ltd. in connection with Shunde and Tanbei Acquisition on 8 July 2020 for 2H2020 and FY2020.

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

17. Earnings per unit

Earnings per Unit ("EPU")

Weighted average number of Units in issue ('000)

Basic EPU

Diluted EPU

Weighted average number of Units outstanding ('000)

Diluted EPU

Group			
6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 31 December 2021	12 months ended 31 December 2020
783,982	768,677	781,648	708,672
(6.61)	1.05	(6.26)	(10.18)
788,827	770,913	786,493	710,907
(6.57)	1.05	(6.22)	(10.15)

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

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

18. Distribution per unit

Distribution per unit ("DPU")

Number of Units issued and to be issued at end of period/year ('000)

Number of Units not entitled to distribution under Distribution Waiver ('000)

Number of Units entitled to distribution under Distribution Waiver ('000)

Based on the number of Units in issue and to be issued at end of period/year ('000)

- With Distribution Waiver (cents)

- Without Distribution Waiver (cents)

Annualised distribution yield (%)

- Based on Offering price of S\$0.80:

- With Distribution Waiver

- Without Distribution Waiver

- Based on closing price:

- With Distribution Waiver

- Without Distribution Waiver

Group			
6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 31 December 2021	12 months ended 31 December 2020
794,014	779,716	794,014	779,716
(82,441)	(192,362)	(82,441)	(192,362)
711,573	587,354	711,573	587,354
2.24	2.02	5.22	3.94
2.01	1.52	4.67	2.87
5.55	5.02	6.53	4.93
4.98	3.78	5.84	3.59
12.01	5.12	14.11	5.02
10.76	3.85	12.63	3.66

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

19. Distribution

	Group				
	6 months ended 31 December 2021 S\$'000	6 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000	
	(Loss)/Profit for the period/year	(51,837)	8,100	(48,915)	(72,126)
	Distribution adjustments (Note A)	67,777	3,687	85,782	92,705
Amount available for distribution	15,940	11,787	36,867	20,579	
<u>Note A Distribution adjustments</u>					
Amortisation of intangible assets	32	50	63	50	
Amortisation of capitalised borrowing costs	8,391	5,581	13,613	10,339	
Deferred income tax (income)/expense	(11,750)	3,481	(5,896)	(15,030)	
Depreciation of plant and equipment	72	56	143	133	
Expenses relating to acquisition of subsidiaries written off	-	1,885	-	1,885	
Loss allowance/(reversal on loss allowance) on receivables	6,545	(450)	9,212	645	
Loan repayment	(4,282)	(1,144)	(7,560)	(2,038)	
Net change in fair value of derivative financial instruments	(140)	(408)	(909)	284	
Net change in fair value of investment properties	63,876	8,411	62,844	104,722	
Recognition of rental income on a straight line basis over the lease term	537	670	1,267	(5,598)	
Stamp duty	-	130	-	130	
Transfer to statutory reserve	(120)	(92)	(120)	(92)	
Trustee-Manager's acquisition fees paid in units	-	2,278	-	2,278	
Trustee-Manager's fees paid/payable in units	3,540	3,401	6,945	6,100	
Unrealised exchange loss/(gain)	1,656	(13,948)	7,471	(4,854)	
Other adjustments	(580)	(6,214)	(1,291)	(6,249)	
	67,777	3,687	85,782	92,705	

Note A: Included in other adjustments for year ended 31 December 2021 is an amount of S\$1.3 million (year ended 31 December 2020: S\$6.2 million) which is set aside for future repayment of interest and related costs of loan facilities.

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

20. Distribution paid to Unitholders

Tax-exempt income distribution: 1.79 cents per unit for the period from 7 July 2020 to 31 December 2020 (FY2020: 0.94 cents per unit for the period from 12 September 2019 to 31 December 2019)

Capital distribution: 0.17 cents per unit for the period from 7 July 2020 to 31 December 2020 (FY2020: 1.12 cents per unit for the period from 12 September 2019 to 31 December 2019)

Capital distribution: 2.98 cents per unit for the period from 1 January 2021 to 30 June 2021 (FY2020: 1.98 cents per unit for the period from 1 January 2020 to 6 July 2020)

Group	
12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000
10,514	3,772
998	4,495
20,928	9,067
32,440	17,334

The distribution waiver arrangement of the Trust as disclosed in Prospectus dated 13 January 2017 will end 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 reportable segments, as described below, which are the Group's investment properties. All of the Group's reportable segments are investment properties located in PRC used primarily for retail purposes. The investment properties are managed separately because they require different operating and marketing strategies.

For each of the investment properties, the Chief Executive Officer and the Chief Financial Officer of the Trustee-Manager (the Chief Operating Decision-Makers), who are responsible for allocating resources and assessing performance of the operating segments, review internal management reports on a monthly basis.

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 ⁽¹⁾		Tanbei Metro Mall ⁽¹⁾		Total	
	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000
External revenues:																
- Gross rental income	20,176	18,878	21,223	21,921	11,627	10,247	2,427	2,148	15,515	14,989	16,642	8,527	1,259	668	88,869	77,378
- Others	2,462	2,224	1,923	1,673	2,396	1,897	346	317	2,721	2,530	2,449	1,377	145	80	12,442	10,098
Gross revenue	22,638	21,102	23,146	23,594	14,023	12,144	2,773	2,465	18,236	17,519	19,091	9,904	1,404	748	101,311	87,476
Segment net property income	18,314	17,718	19,232	20,555	10,102	8,615	1,870	1,710	12,639	13,473	15,114	8,000	1,139	622	78,410	70,693
Finance income	788	675	444	488	707	500	65	72	226	88	123	84	22	13	2,375	1,920
Finance costs	7	-	-	-	4,859	4,357	-	-	5,235	5,377	5,776	3,117	254	424	16,131	13,275
Segment assets	643,661	620,496	472,969	477,556	394,369	383,180	64,972	64,042	447,498	431,338	550,342	524,602	21,842	24,317	2,595,653	2,525,531
Segment liabilities	258,767	248,802	204,917	204,339	269,396	261,233	51,535	49,215	270,079	265,378	336,113	321,422	26,356	28,461	1,417,163	1,378,850
Other segment items:																
Depreciation and amortisation	77	63	22	19	17	39	11	9	22	22	45	24	12	7	206	183
Net change in fair value of investment properties	10,385	28,410	27,759	29,117	6,582	20,475	3,468	5,526	8,131	19,407	6,210	1,354	309	433	62,844	104,722
Loss allowance on receivables	3,147	18	1,858	123	1,386	118	1,141	93	521	104	723	169	436	20	9,212	645
Capital expenditure	147	1,705	1,759	2,773	430	400	16	20	65	297	9	16	3	2	2,429	5,213

(1) Shunde Metro Mall and Tanbei Metro Mall were acquired by the Trust on 8 July 2020.

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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	
	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000
Revenue		
Total revenue for reporting segments	101,311	87,476
Total profit/(loss) before income tax		
Total profit/(loss) for reportable segments before income tax	(7,404)	(46,029)
Unallocated amounts:		
- Other corporate expenses	(38,435)	(33,173)
- Elimination of intercompany transactions	(1,333)	(703)
Profit/(Loss) before income tax	(47,172)	(79,905)
Assets		
Total assets for reportable segments	2,595,653	2,525,531
Other unallocated amounts	11,987	19,186
Elimination of intercompany balances	(67,623)	(35,428)
Consolidated assets	2,540,017	2,509,289
Liabilities		
Total liabilities for reportable segments	1,417,163	1,378,850
Other unallocated amounts	683,978	675,633
Elimination of intercompany balances	(674,795)	(647,545)
Consolidated liabilities	1,426,346	1,406,938

	Reportable segment totals S\$'000	Unallocated amounts S\$'000	Elimination of intercompany transactions S\$'000	Consolidated totals S\$'000
Other material items for 12 months ended 31 December 2021				
Finance income	2,375	29	(1,333)	1,071
Finance costs	16,131	22,396	-	38,527
Other material items for 12 months ended 31 December 2020				
Finance income	1,920	75	(703)	1,292
Finance costs	13,275	22,713	-	35,988

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 year based on agreed terms between the parties.

	Group				
	6 months ended 31 December 2021 S\$'000	6 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000	
	Commercial management fees paid/payable to a related party				
	- management fee	500	505	1,016	810
- lease-up commission	55	30	55	30	
- reimbursement of expenses at cost	1,638	1,389	2,452	1,598	
Property management fees paid/payable to a related party					
- management fee	500	505	1,016	810	
- reimbursement of expenses at cost	4,563	4,174	8,385	6,032	
Lease rental received/receivable from related parties					
- lease rental income ⁽¹⁾	7,981	5,348	18,149	12,104	
- reimbursement of expenses at cost	1,033	767	1,974	1,322	
Lease rental paid/payable	31	30	63	60	
Other revenue from related parties	266	335	766	683	
Other property operating expenses paid/payable to related parties	116	39	284	54	
Advances from a beneficiary of the ultimate controlling party of the Trust	210	-	2,460	2,263	
Advances from related parties	7	19	39	125	

(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.

During FY2021, the Group waived charges for late payment of lease rental from related parties, in the ordinary course of business, amounting to S\$1,094,000 (FY2020: S\$179,000). During 2H2021, the Group waived charges for late payment of lease rental from related parties, in the ordinary course of business, amounting to S\$703,000 (2H2020: S\$104,000).

Pursuant to the sales and purchase agreement of the announcement dated 19 July 2021 between Mr. Zhang Zhencheng, a shareholder of the Trustee-Manager, Aqua Wealth Holdings Limited, a controlling unitholder of the Trust and New Harvest Investments Limited, the Trustee-Manager assigned an amount owing from the Trust amounting to approximately S\$2.5 million to a shareholder of the Trustee-Manager for the year ended 31 December 2021. In addition, the Trustee-Manager has also assigned its rights on receiving trustee fee and base management fee for the third quarter of the FY2021 which were payable in units of the Trust amounting to approximately S\$1.7 million to a shareholder of the Trustee-Manager.

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

24. Fair value measurement

The following table set out an overview of the financial assets and financial liabilities at the end of the reporting period:

	Group		Trust	
	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
Financial Assets				
<u>At amortised cost</u>				
Trade and other receivables	23,105	19,636	389	311
Cash and bank balances	119,222	142,504	11,720	18,900
<u>FVTPL</u>				
Derivative financial assets	47	-	47	-
	142,374	162,140	12,156	19,211
Financial Liabilities				
<u>At amortised cost</u>				
Loans and borrowings	954,084	939,474	677,378	670,189
Trade and other payables	30,819	35,635	107,821	71,929
Security deposits	17,362	19,938	-	-
<u>FVTPL</u>				
Derivative financial liabilities	27	890	27	890
	1,002,292	995,937	785,226	743,008

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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 Property

The investment properties are RMB-denominated assets. Decrease in fair value of the investment properties of RMB296 million as at FY2021 compared to FY2020 was mainly due to lower expected rental growth rate for both long-term and short-term as a result of the COVID-19 pandemic, and adjusted for capital expenditure and lease incentive. However, increase in fair value of the investment properties of S\$50 million in SGD term was due to the strengthening of RMB against SGD.

(ii) Subsidiaries (Trust)

The increase is due to the Trust recognising a net unrealised foreign exchange gain of S\$10.8 million in year ended 31 December 2021, relating to the USD-denominated and RMB-denominated loans extended to the subsidiaries as at 31 December 2021.

(iii) Deferred Tax Liabilities

Deferred tax liabilities increased by S\$13.8 million or 3.4% as at 31 December 2021 mainly attributable to exchange gain of S\$19.4 million from the strengthening of RMB against SGD for the RMB-denominated assets offset by deferred tax assets of S\$3.4 million arising from the net fair value changes of the investment properties and S\$2.2 million arising from the changes in loss allowance on receivables.

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

(i) Breakdown of revenue for the six-month period ended 31 December 2021 ("2H2021") vs 2H2020

	6 months ended 31 December 2021 RMB'000	6 months ended 31 December 2020 RMB'000	% change	6 months ended 31 December 2021 S\$'000	6 months ended 31 December 2020 S\$'000	% change
Revenue:						
Shiqi Metro Mall	53,114	54,117	(2)	11,219	10,882	3
Xiaolan Metro Mall	53,028	59,507	(11)	11,206	11,967	(6)
Ocean Metro Mall	33,470	33,338	-	7,067	6,698	6
Dasin E-Colour	6,118	6,209	(1)	1,294	1,249	4
Doumen Metro Mall	43,292	44,516	(3)	9,142	8,951	2
Shunde Metro Mall	44,316	49,549	(11)	9,362	9,904	(5)
Tanbei Metro Mall	3,242	3,742	(13)	685	748	(8)
	236,580	250,978	(6)	49,975	50,399	(1)

(ii) Breakdown of net property income for 2H2021 vs 2H2020

	6 months ended 31 December 2021 RMB'000	6 months ended 31 December 2020 RMB'000	% change	6 months ended 31 December 2021 S\$'000	6 months ended 31 December 2020 S\$'000	% change
Net property income:						
Shiqi Metro Mall	41,459	43,919	(6)	8,765	8,834	(1)
Xiaolan Metro Mall	43,033	50,120	(14)	9,101	10,084	(10)
Ocean Metro Mall	23,623	22,661	4	4,990	4,555	10
Dasin E-Colour	3,945	4,016	(2)	835	808	3
Doumen Metro Mall	28,533	31,922	(11)	6,032	6,425	(6)
Shunde Metro Mall	34,369	40,024	(14)	7,264	8,000	(9)
Tanbei Metro Mall	2,486	3,113	(20)	526	622	(15)
	177,449	195,774	(9)	37,513	39,328	(5)

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

(i) Breakdown of revenue for the year ended 31 December FY2021 vs FY2020

	12 months ended 31 December 2021 RMB'000	12 months ended 31 December 2020 RMB'000	% change	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000	% change
Revenue:						
Shiqi Metro Mall	108,419	105,568	3	22,638	21,102	7
Xiaolan Metro Mall	110,852	118,040	(6)	23,146	23,594	(2)
Ocean Metro Mall	67,160	60,756	11	14,023	12,144	15
Dasin E-Colour	13,281	12,332	8	2,773	2,465	12
Doumen Metro Mall	87,337	87,647	-	18,236	17,519	4
Shunde Metro Mall	91,436	49,549	85	19,091	9,904	93
Tanbei Metro Mall	6,724	3,742	80	1,404	748	88
	485,209	437,634	11	101,311	87,476	16

(ii) Breakdown of revenue before adjustment for straight-lining basis over the lease term (SLA) and after adjustment for SLA for the year ended 31 December (FY2021 vs FY2020)

	12 months ended 31 December 2021			12 months ended 31 December 2020		
	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	23,089	(451)	22,638	20,736	366	21,102
Xiaolan Metro Mall	23,797	(651)	23,146	21,547	2,047	23,594
Ocean Metro Mall	14,244	(221)	14,023	11,936	208	12,144
Dasin E-Colour	2,856	(83)	2,773	2,448	17	2,465
Doumen Metro Mall	18,721	(485)	18,236	15,380	2,139	17,519
Shunde Metro Mall	18,496	595	19,091	9,147	757	9,904
Tanbei Metro Mall	1,375	29	1,404	683	65	748
	102,578	(1,267)	101,311	81,878	5,598	87,476

(iii) Breakdown of net property income for 2H2021 vs 2H2020

	12 months ended 31 December 2021 RMB'000	12 months ended 31 December 2020 RMB'000	% change	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000	% change
Net property income:						
Shiqi Metro Mall	87,710	88,644	(1)	18,314	17,718	3
Xiaolan Metro Mall	92,102	102,835	(10)	19,232	20,555	(6)
Ocean Metro Mall	48,381	43,101	12	10,102	8,615	17
Dasin E-Colour	8,956	8,557	5	1,870	1,710	9
Doumen Metro Mall	60,531	67,403	(10)	12,639	13,473	(6)
Shunde Metro Mall	72,390	40,024	81	15,114	8,000	89
Tanbei Metro Mall	5,455	3,113	75	1,139	622	83
	375,525	353,677	6	78,410	70,693	11

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

(a) Revenue

Revenue for 2H2021 was slightly lower than 2H2020 by approximately S\$0.4 million or 1% mainly due to decrease in contribution from Xiaolan Metro Mall and Shunde Metro Mall.

Revenue for FY2021 was higher than FY2020 by approximately S\$13.8 million or 16% mainly due to contribution from Shunde Metro Mall and Tanbei Metro Mall which were acquired on 8 July 2020, and higher revenue from Shiqi Metro Mall, Ocean Metro Mall and Dasin E-Colour due to recovery of impact from COVID-19 and lower rental rebates granted to tenants in FY2021.

Revenue before adjustment for straight-lining basis over the lease term (non-cash) for Shiqi Metro Mall, Xiaolan Metro Mall, Ocean Metro Mall, Dasin E-Colour and Doumen Metro Mall for FY2021 was higher by approximately S\$10.7 million or 15%, compared to those of FY2020, owing to recovery of the impact from COVID-19 and, lesser amount of rental rebates granted to tenants in FY2021.

(b) Net property income

The net property income margin ("NPI margin") of the Group was approximately 77% for FY2021 compared to approximately 81% for FY2020. Slightly lower NPI margin was mainly due to higher staff and related costs, higher utilities expense and higher property tax expense. With effect from 1 January 2021, the Property Manager and the Commercial Manager recover the staff and related costs of not exceeding 1.5% of the gross revenue of the property each from the Trust for Shiqi Metro Mall, Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour, thus resulted in higher staff and related costs. The staff and related costs were borne by the Property Manager and Commercial Manager in previous years. Higher property tax expense in FY2021 was due to property tax rebates granted by the local government in response to COVID-19 in FY2020.

(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 FY2021.

Trustee-Manager's fees for FY2021 were higher than FY2020 due to higher value of the Trust Property of the Group following the completion of the acquisition of Shunde Metro Mall and Tanbei Metro Mall on 8 July 2020.

The acquisition fee of S\$2.3 million incurred in 2H2020 and FY2020 was relating to acquisition of Shunde Metro Mall and Tanbei Metro Mall on 8 July 2020.

(d) Exchange loss

Exchange loss for FY2021 of S\$7.3 million was mainly due to an unrealised exchange loss from weakening of SGD against USD and HKD on the USD and HKD denominated bank loans of US\$168.3 million and HKD 294.0 million respectively.

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

(e) Loss allowance on receivables

Loss allowance on receivables in FY2021 was higher compared to FY2020 mainly due to higher allowance made of about S\$8.6 million.

(f) Other income/(expense)

This income/(expense) arises from net change in the fair value of derivative financial instruments arose from 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

Slight increase in finance costs in FY2021 compared to FY2020, was mainly due to the amortisation of S\$3 million extension fees for the offshore and onshore syndicated loan pertaining to the initial portfolio, as well as the drawdown of the onshore syndicated term loan of RMB472 million (S\$100.1 million) and offshore syndicated term loan of approximately S\$132.8 million to finance the acquisition of Shunde Metro Mall and Tanbei Metro Mall in July 2020.

(h) Net change in fair value of investment properties

	6 months ended 31 December 2021 S\$'000	6 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000
(Decrease) in valuation of the investment properties	(64,413)	(9,081)	(64,111)	(99,124)
Recognition of rental income on a straight-line basis	537	670	1,267	(5,598)
	(63,876)	(8,411)	(62,844)	(104,722)

See note 1(i) of page 31 for net change in fair value of investment properties and note 3 of the condensed interim financial statements.

(i) Income tax expense

Income tax expense was S\$1.7 million in FY2021 compared to income tax credit of S\$7.8 million in FY2020 were mainly due to the following:

- (i) The rental management companies of Shiqi Metro Mall and Doumen Metro Mall have incurred a slight increase in income tax expenses for year ended 31 December 2021 compared to year ended 31 December 2020. The income tax expense is calculated based on the statutory income tax rate of 25%.
- (ii) Withholding tax of 5% is provided on the undistributed statutory earnings of the PRC subsidiaries. The increase of S\$0.1 million came from Shiqi Metro Mall and Xiaolan Metro Mall.
- (iii) Deferred tax expense/(income) arise mainly from recognition of the temporary differences between the carrying amounts used for financial reporting and taxation purposes relating to the investment properties.

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(i) Income tax expense (cont'd)

Deferred tax income of S\$5.9 million in FY2021 arose from the reversal of temporary differences due to the loss in fair values of the investment properties as at 31 December 2021 amounting to S\$3.6 million and from the increase in the loss allowance on accounts receivables, amounting to S\$2.3 million.

Deferred tax income of S\$15 million in FY2020 mainly arose from the reversal of temporary differences due to the loss in fair values of the investment properties as at 31 December 2020.

2. Analysis of consolidated statement of cash flows

- (i) Net cash generated from operating activities in year ended 31 December 2021 was S\$42.6 million compared to that of S\$65.5 million in year ended 31 December 2020 due to slower collection of trade receivables and prompt settlement of vendor payments in year ended 31 December 2021.
- (ii) Net cash used in investing activities in year ended 31 December 2021 was S\$1.3 million. This was due to capital expenditure of S\$2.3 million spent on asset enhancement initiative ("AEI") for investment properties, offset by receipt of bank interest income of S\$1.1 million.

Net cash used in investing activities in year ended 31 December 2020 was S\$103.9 million. This was due to net cash outflow for acquisition of subsidiaries of \$100.2 million and capital expenditure of S\$6 million spent on AEI for investment properties, offset by a government grant of S\$1.1 million received for this AEI and receipt of bank interest income of S\$1.3 million.

- (iii) Net cash used in financing activities in year ended 31 December 2021 was S\$56.4 million. This was due to repayment of bank borrowings of S\$20.3 million, payment of finance costs of S\$25.7 million, payment of distributions to unitholders of S\$32.4 million and payment of loan transaction costs of S\$9.4 million, offset by the proceeds from borrowings of \$17.7 million and withdrawal of cash pledged of S\$13.9 million.

Net cash generated from financing activities in year ended 31 December 2020 was S\$50.1 million. This was due to proceeds from borrowings of \$249.2 million and proceeds from issuance of new units of \$94 million. These were offset by repayment of bank borrowings of S\$231.1 million, payment of finance costs of S\$24.6 million, payment of distribution to unitholders of S\$17.3 million, payment of loan transaction costs of S\$9 million on loan extension and withdrawal of cash pledged of S\$10.1 million.

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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 FY2021.

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 increased 8.1% year-on-year, staging an impressive recovery from the impact of the pandemic. National urban disposable income and expenditure per capita increased 9.6% and 14.0% respectively in 2021. National retail sales increased 12.5% from 2020's contraction of 3.9%¹.

In 2021, Zhongshan City's GDP and retail sales increased by 8.2% and 8.7% year-on-year respectively². Over the same period, Zhuhai City's GDP and retail sales grew 6.9% and 13.8% year-on-year respectively³ while Foshan City's GDP and retail sales improved 8.3% and 8.1% year-on-year respectively⁴. The Trust delivered resilient financial performance in FY2021 with revenue growth of 20.6% year-on-year despite COVID-19 impact⁵.

In line with the Trust's proactive asset management strategy, Xiaolan Metro Mall's asset enhancement initiative (AEI) was completed in 3Q2021. The enhanced tenant mix with new tenants from the food and beverage and children sectors is expected to provide children with new learning and fun experience and to attract more families to the mall.

On 12 October 2021, the Trustee-Manager was informed by Mr. Zhang Zhencheng, Chairman and controlling shareholder of the Trustee-Manager, as well as Aqua Wealth Holdings Limited ("Aqua Wealth"), a controlling unitholder of the Trust, that they have completed the transfer of shares from Mr. Zhang Zhencheng to New Harvest Investments Limited ("New Harvest") in accordance with the terms of the sale and purchase agreement dated 19 July 2021. Accordingly, New Harvest has become a controlling shareholder of the Trustee-Manager, holding a total of 70% of the total issued and paid up share capital. New Harvest is an affiliate of Sino-Ocean Capital, a long-time partner of the Sponsor and Mr. Zhang Zhencheng. By bringing on board an affiliate of Sino-Ocean Capital as a controlling shareholder of the Trustee-Manager, the parties plan to work seamlessly to take the Trust into the next stage of growth and also explore in good faith other partnership opportunities.

As stated in the Trust's announcement dated 20 December 2021, the Trustee-Manager updated that the lenders of both the onshore and offshore facilities in relation to the offshore syndicated term loan facilities of up to the equivalent of S\$430.0 million in aggregate, and the onshore syndicated term loan facilities of up to the equivalent of RMB400.0 million in aggregate, have granted an extension of 3 months from 20 December 2021, to allow lenders more time to discuss new requests made by minority lenders. The Trustee-Manager is in active negotiations with the banks to secure the refinancing of both the offshore facilities and the onshore facilities due on 20 March 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 is due on 15 July 2022, and the offshore syndicated term loan facility relating to acquisition of Doumen Metro Mall of up to equivalent of S\$105.7 million, is due on 19 September 2022. The Trustee-Manager will be working closely with the banks to secure the refinancing of these facilities.

¹ National Bureau of Statistics of China.

² Zhongshan Municipal Bureau of Statistics.

³ Zhongshan Municipal Bureau of Statistics.

⁴ Statistics Bureau of Foshan.

⁵ Based on revenue in RMB excluding rental income recognised on a straight-line basis over the lease term.

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5. Distribution

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

Yes.

Name of distribution	Distribution For The Period From 1 July 2021 To 31 December 2021
Distribution type	(a) Capital distribution (b) Tax-exempt income distribution
Distribution rate	(a) Capital distribution : 0.4 cents per unit (b) Tax-exempt income distribution : 1.84 cents per unit
Tax rate	<u>Capital distribution</u> 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. <u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from Singapore income tax in the hand of all Unitholders. Tax-exempt income related to one-tier dividend income received by DRT.

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

Yes.

Name of distribution	Distribution for the period from 1 July 2020 to 31 December 2020
	(Note: An Advanced Distribution of 0.06 cents per unit for the period from 1 July 2020 to 6 July 2020 has been paid on 28 September 2020.)
Distribution type	(a) Capital distribution
Distribution type	(b) Tax-exempt income distribution
Distribution rate	(a) Capital distribution : 0.17 cents per unit (b) Tax-exempt income distribution : 1.79 cents per unit
Tax rate	<u>Capital distribution</u> 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. <u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from Singapore income tax in the hand of all Unitholders. Tax-exempt income related to one-tier dividend income received by DRT.

(c) Date payable
30 March 2022

(d) Record Date
16 March 2022

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6. 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.

7. Use of Proceeds

Gross proceeds of approximately S\$94.0 million which was successfully raised on 6 July 2020 pursuant to a private placement of 120,512,000 new units (the "Private Placement 2020") in connection with the acquisition of Shunde Metro Mall and Tanbei Metro Mall on 8 July 2020 has been used in the following manner:

Use of Proceeds	Announced use of proceeds (\$ million)	Actual use of proceeds (\$ million)	Balance of proceeds (\$ million)
The partial repayment of the onshore construction loan of Foshan Dasin Commercial Management Co., Ltd. (佛山市大信商业管理有限公司) with Guangdong Shunde Rural Commercial Bank Company Limited (广东顺德农村商业银行股份有限公司) (" Purpose A ")	77.7	76.1	1.6
The payment of the construction payables of the Shunde PRC Property Company (" Purpose B ")	4.8	4.7	0.1
The payment of the estimated fees and expenses, including (i) the placement commission and related fees and expenses payable to the Joint Bookrunners, and (ii) professional and other fees and expenses to be incurred by Dasin Retail Trust in connection with the Proposed Acquisition and the Private Placement (" Purpose C ")	11.5	13.2	-1.7
Total	94.0	94.0	0.0

Note: The use of proceeds from the Private Placement 2020 set out above is in accordance with the stated use and in accordance with the percentage of the gross proceeds of the Private Placement 2020 to such use as set out in the announcement dated 13 July 2020 titled "Use Of Proceeds From Private Placement". In the same announcement, the Trustee-Manager also announced that the balance amounts for Purpose A and Purpose B will be utilised towards Purpose C. Included in Purpose C is payment of loan interest of S\$1.69 million.

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8. Breakdown of revenue and net income

	FY2021	FY2020	%
	S\$'000	S\$'000	change
Revenue for first half year	51,336	37,077	38
Net income/(loss) for first half year	2,922	(80,226)	NM
Revenue for second half year	49,975	50,399	(1)
Net (loss)/income for second half year	(51,837)	8,100	NM

9. 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.

10. Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Trustee-Manager confirms that there is no person occupying a managerial position in the Trustee-Manager or in any of the Trust's principal subsidiaries who is a relative of a director, chief executive officer, substantial shareholder of the Trustee-Manager or substantial unitholder of the Trust.

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
27 February 2022