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)

QUERIES FROM SGX ON UPDATE ON APPLICATION UNDER SECTION 64 OF THE INSOLVENCY, RESTRUCTURING AND DISSOLUTION ACT 2018 AND OTHER ISSUES

The Board of Directors (the "**Board**") of Dasin Retail Trust Management Pte. Ltd. (the "**Trustee-Manager**" or "**DRTM**") wishes to announce the information set out below in response to queries from the Singapore Exchange Securities Trading Limited (the "**SGX**") received on 26 February 2025 in relation to the Court Judgment issued in HC/OA 1257/2024 ("**OA 1257**") as announced on 14 January 2025 updating on DRTM's application under section 64 of the Insolvency, Restructuring and Dissolution Act 2018 in OA 1257.

SQX Queries

We refer to the High Court Judgement dated 13 January 2025 (OA 1257) (the "**Court Judgement**"). In the Court Judgement,

(a) DRTM explains that it has been unable to procure updated valuations of the malls because it has been unable to obtain full and complete information, including rental rolls for the malls, from the Chinese subsidiaries under Zhang Zhencheng's ("**ZZC**") control.

(b) it was also disclosed as part of ZZC's argument that as DRTM will not be able to take control of the Chinese subsidiaries within the period of a six-month moratorium, the condition precedent to the intended scheme of provision of DRT's audited financial statements and finalised mall valuation reports cannot be met as it is premised on DRTM obtaining control over the Chinese subsidiaries.

1. Please provide a definitive timeline for Dasin Retail Trust (the "**Trust**") to announce its outstanding financial statements and to convene its annual general meetings for the year ended 31 December 2022, 31 December 2023 and 31 December 2024.

2. Please disclose when the Trustee Manager (i) lost control over its Chinese subsidiaries; and (ii) first commenced its efforts to obtain control of the Chinese subsidiaries.

3. It is noted in the Trust's announcement dated 18 November 2024 and 27 November 2024 that, the Zhuhai City Doumen District People's Court (the "**Doumen Court**") has issued an injunction to enjoin Zhuhai Xinmingyang Investment Co Ltd and Zhuhai Doumen Dasin Metro-Mall Commercial Management Co Ltd (the "**Doumen Metro Mall Subsidiaries**") against changing their legal representative, executive director and general manager for a period of two years from the date of the injunctions. Please disclose the action steps required to obtain control of the Chinese subsidiaries and the relevant milestones in this regard.

4. Please disclose the Board's assessment regarding the level of certainty of obtaining control over the Chinese subsidiaries, including the bases of its assessment and the Trustee-Manager's progress towards obtaining control of the Chinese subsidiaries.

5. In view of the moratorium which involves the liabilities of the Trust, please (i) confirm whether the Trust can continue to operate as a going concern; and (ii) disclose the Board of Directors' assessment of the Trust's ability to operate as a going concern and the base(s) for such a view(s).

Response to SGX Queries

In response to SGX Query 1

DRTM confirms that it is unable to procure updated valuations of the malls as at 31 December 2023 because it has been unable to obtain full and complete information, including rental rolls for the malls, from its Chinese subsidiaries under the control of ZZC. This position is set out at paragraph 67 of the Court Judgment and paragraph 133 of the 1st Affidavit of Tan Hock Sun Sonny dated 2 December 2024 ("**1st THSS**").

Contrary to the arguments made by ZZC in OA 1257, DRTM confirms that its position is that six months i.e. by June 2025 is the likely time period required for DRTM to regain control of the Chinese subsidiaries to effectively propose and implement a scheme: paragraph 138 of the 1st THSS.

Assuming DRTM successfully regains control of the Chinese subsidiaries and DRTM obtains the relevant financial information relating to these Chinese subsidiaries in order to be able to undertake the audit procedures, DRTM estimates that it will require:

(a) Three months to complete the audit, to issue an audit report for the year ended 31 December 2022 ("**FY2022**") and to announce the same;

The three months' time period takes into account the fact that the auditors have already substantially completed the audit of the Chinese subsidiaries. However, the auditors will still need to perform additional audit procedures for the audit of the Trust, the Singapore subsidiaries and the consolidated financial statements before they finalise and print the audit report. The auditors will also require an advance payment of fees before they begin performing the additional audit procedures and drafting of the audit opinion.

(b) A further one month to convene the Annual General Meeting ("**AGM**") for FY2022;

Notice for the FY2022 AGM will likely be issued within one month after completion and issuance of the audit report for FY 2022. The AGM will then be held after the requisite notice period in the notice.

(c) Six months to finalise the unaudited Condensed Consolidated Financial Statements for the year ended 31 December 2023 ("**FY2023**") after obtaining the financial records and completion of the FY2022 AGM;

The six months' time period is required to (i) verify the integrity of the financial records and data, (ii) provide rent-rolls and other relevant operating data for the valuer to conduct a valuation of the malls, and (iii) prepare the unaudited condensed consolidated financial statements as well as information required to be disclosed pursuant to Listing Rule Appendix 7.2 of the SGX Listing Manual.

(d) A further four months for the audit and to convene the AGM for the audited financial report for FY2023.

(e) DRTM estimates that it will require approximately six to nine months after the financial records are obtained to convene the AGM for FY 2024. This time period is required to verify the integrity of the financial records, to conduct valuation of its malls, to complete the audit for FY 2024 and to convene the AGM for FY 2024.

In response to SGX Query 2:

(a) On 14 February 2024, DRTM terminated the employment of its former Chief Executive Officer ("**CEO**") Wang Qiu.

(b) On 22 February 2024, Wang Peng was appointed as acting CEO of DRTM. Following Wang Peng's appointment, Wang Peng tried to obtain information on the Chinese subsidiaries to carry out an updated valuation of the malls and to proceed with a restructuring of the Trust, but to no avail.

(c) In or around March 2024, Wang Peng tried to obtain operational and financial data of the Chinese subsidiaries, including their account balances, bank statements, cash flow statements, rent rolls, and accounts receivables. However, no information was forthcoming. During this time, it was discovered that the management team of the Chinese subsidiaries and ZZC violated the internal controls and management systems of the Trust, and bypassed the CEO and Board of DRTM in relation to approvals for annual budgets, operational expenditures, capital expenditures and contract executions. This led DRTM to discover that it may have lost control of the Chinese subsidiaries operationally, although DRTM remains the ultimate legal owner of the Chinese subsidiaries in its capacity as trustee-manager of the Trust.

(d) DRTM first commenced efforts to regain control of the Chinese subsidiaries on 6 June 2024, where the Board resolved to appoint Lyu Guoliang and Sonny Tan as additional directors of DRTM's Singapore subsidiaries, and to replace and appoint Wang Peng as corporate representative of DRTM's Singapore subsidiaries. DRTM's Singapore subsidiaries hold shares in the Chinese subsidiaries.

(e) On 26 June 2024, the Board then resolved that the legal representative and director of each Chinese subsidiary shall be changed from the current legal representative and director (i.e. Zhang Zhongming ("**ZZM**")) to Wang Peng. The seals and licences of the Chinese subsidiaries shall also be delivered to and kept by Wang Peng or persons designated by him on behalf of DRTM.

(f) To put into effect the Board resolution of 26 June 2024, shareholders resolutions have since been passed in each Chinese subsidiary to this effect between 15 July 2024 to 3 September 2024 (the "**Shareholders Resolutions**").

(g) Following ZZM's refusal to cooperate to facilitate a change of the legal representative and director of each Chinese subsidiary, and to deliver the seals and licences of the Chinese subsidiaries to Wang Peng, DRTM discovered that it had lost control of the Chinese subsidiaries operationally.

In response to SGX Query 3:

(a) In order to prevent the change of legal representatives for the Doumen Metro Mall Subsidiaries in the Zhuhai City Market Supervisory Authority (珠海市市场监督管理局), ZZM commenced proceedings in the Doumen Court against the Doumen Metro Mall

Subsidiaries to invalidate the Shareholders' Resolutions (the "**Invalidation Proceedings**").

(b) The injunctions are merely preservations orders to preserve the status quo of the Doumen Metro Mall Subsidiaries pending determination of the Invalidation Proceedings.

(c) Hence, if the Doumen Metro Mall Subsidiaries prevail in the Invalidation Proceedings, the injunctions will naturally fall away. DRTM will then apply to the Zhuhai City Market Supervisory Authority (珠海市市场监督管理局) to change the legal representatives of the Doumen Metro Mall Subsidiaries.

(d) The PRC lawyers have advised that the Doumen Metro Mall Subsidiaries are likely to prevail in the Invalidation Proceedings. A hearing for the Invalidation Proceedings is likely to be held in March / April 2025, and the Doumen Court is likely to release its decision in May 2025.

(e) As soon as practicable thereafter, DRTM intends to apply to the Zhuhai City Market Supervisory Authority (珠海市市场监督管理局) for a change of legal representatives of the Doumen Metro Mall Subsidiaries. Further, according to communications with the local market supervision authorities in Zhongshan and Shunde, if the Doumen Metro Mall Subsidiaries can complete the change of legal representatives, the same procedures can also be carried out in Zhongshan and Shunde for the 10 other Chinese subsidiaries.

<u>In response to SGX Query 4:</u>

DRTM's progress towards obtaining control of the Chinese subsidiaries is set out below:

(a) In its effort to regain control of the Chinese subsidiaries, DRTM had sought to take control of DRTM's Singapore subsidiaries which owned the Chinese subsidiaries. This process was completed by June 2024.

(b) Thereafter, DRTM sought to change the legal representatives of the Chinese subsidiaries. The change of legal representatives of the Doumen Metro Mall Subsidiaries was completed on 23 July 2024. However, the Zhuhai City Market Supervisory Authority (珠海市市场监督管理局) revoked the change due to ZZM's complaints and pressure from various local government departments.

(c) After further communications, the Zhuhai City Market Supervisory Authority (珠海市市场监督管理局) agreed to a second application for change of legal representatives of the Doumen Metro Mall Subsidiaries, and a hearing was convened on 7 November 2024. However, due to the Invalidation Proceedings and the injunctions obtained by ZZM, the Zhuhai City Market Supervisory Authority (珠海市市场监督管理局) was unable to effect the change.

(d) In the circumstances, it is necessary for the Doumen Metro Mall Subsidiaries to prevail in the Invalidation Proceedings to proceed with a change of legal representatives.

(e) During this time, DRTM has communicated with the local market supervisory authorities in Zhongshan and Shunde. They indicated that as long as the Zhuhai City Market Supervisory Authority (珠海市市场监督管理局) approves the change of legal representatives of the Doumen Metro Mall Subsidiaries, they are likely to also approve a change of legal representatives of the Chinese subsidiaries in Zhongshan and Shunde.

DRTM believes that a change of legal representatives of the Chinese subsidiaries is feasible based on the two applications to change the legal representatives of the Doumen Metro Mall Subsidiaries with the Zhuhai City Market Supervisory Authority (珠海市市场监督管理局).

However, ZZM has initiated the Invalidation Proceedings to delay the process. The PRC lawyers have advised that the lawsuits are baseless and that the Doumen Metro Mall Subsidiaries are likely to prevail.

After the Doumen Metro Mall Subsidiaries prevail in the Invalidation Suits, they will be able to continue with the procedure for the change of legal representatives. After the change of legal representatives is complete, DRTM will be able to obtain new company seals and business licenses within one day, and gain control of the companies' bank accounts within a week, thereby achieving control of the Doumen Metro Mall Subsidiaries. The same steps will be taken for the 10 other Chinese subsidiaries. DRTM is therefore confident of regaining control of the Chinese subsidiaries.

In response to SGX Query 5:

The purpose of the moratorium is to give DRTM breathing space to prepare and propose a scheme of arrangement to creditors which would allow DRTM and the Trust to continue operating as a going concern.

In addition to the moratorium, the bases upon which the Board of Directors assessed that the Trust and the Group are able to continue operating as a going concern are set out in note 2.2 on "Going concern basis of preparing of financial statements" of the "Unaudited Condensed Interim Consolidated Financial Statements" for the six-month ended 30 June 2023 which were published on 16 August 2024. These bases remain substantially unchanged as of the date of this announcement.

The key liabilities of the Trust are the bank loans. Certain key lenders have expressed/indicated support to DRTM for the moratorium exercise in order for DRTM to present a workable scheme of arrangement. DRTM is continuing its efforts to engage the lenders and to work at obtaining more support.

The Board believes that the Trust can continue to operate as a going concern as long as DRTM successfully regains control of the Chinese subsidiaries, and DRTM successfully restructures the liabilities of the Trust. The Board is also confident of obtaining interim financial support from the majority shareholder of DRTM to allow DRTM and the Trust to continue operating as a going concern.

The Board (other than ZZC together with his alternate, ZZM (collectively the "**Conflicted Directors**")) is of the view that the Conflicted Directors are conflicted in matters referred to in this announcement. Accordingly, this announcement has not been reviewed by the Conflicted Directors prior to its publication. The opinion of the Board set out in this announcement should not be taken to represent the views of the Conflicted Directors.

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

In the meantime, the Board wishes to advise unitholders and potential investors to exercise caution when dealing in the units of the Trust. In the event of any doubt, they should consult with their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

Dasin Retail Trust Management Pte. Ltd.
(Company Registration No. 201531845N)
(in its capacity as Trustee-Manager of Dasin Retail Trust)

Lyu Guoliang
Chairman and Non-Executive Director
28 February 2025