



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

For the third quarter and nine-month period ended 30 September 2022

DASIN RETAIL TRUST
Unaudited Condensed Interim Consolidated Financial Statements
For the third quarter and nine-month period ended 30 September 2022

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INTRODUCTION

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

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

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

The Trust’s current portfolio comprises 7 retail malls which are strategically located in Foshan, Zhongshan and Zhuhai cities in Guangdong, the People’s Republic of China (“PRC”) with an aggregate gross floor area (“GFA”) and net lettable area (“NLA”) of approximately 794,017 sq m and 385,867 sq m respectively.

	Shiqi Metro Mall	Xiaolan Metro Mall	Ocean Metro Mall	Dasin E-Colour	Doumen Metro Mall	Shunde Metro Mall	Tanbei Metro Mall	Total
Address	No. 2, South Dasin Road, Shiqi District, Zhongshan, Guangdong Province, PRC	No. 18 Shengping Middle Road, Xiaolan Town, Zhongshan, Guangdong Province, PRC	No. 28 Boai Six Road, Dongqu District, Zhongshan, Guangdong Province, PRC	South Tower, No. 4 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	
Remaining term of lease (years)	19	21	24	23	30	35	16	
Lease expiry	27 July 2041 ⁽¹⁾	01 April 2043	21 February 2046	28 July 2045	12 October 2052	06 March 2057	23 September 2038 ⁽²⁾	
GFA (sq m)	119,682 (including retail and carpark spaces of 30,170)	108,690 (including carpark spaces of 20,455)	180,338 (including retail, carpark and ancillary facilities spaces of 99,624)	25,857 (including ancillary facilities spaces of 584)	168,269 (including carpark, ancillary facilities and retail spaces of 88,306)	177,276 (including carpark, ancillary facilities and retail spaces of 82,020)	13,905	794,017
NLA (sq m)	85,250	69,961	64,174	12,569	77,699	67,222	8,992	385,867
Carpark lots	545	626	1,991	-	1,200	1,411	-	5,773
Commencement of operations	May 2004	September 2005	December 2014	May 2015	October 2018	November 2018	March 2018	

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

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

Occupancy rate of the seven malls was 92.9% as at 30 September 2022 (31 December 2021: 93.9%).

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

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A. Condensed interim statements of financial position

	Note	Group		Trust	
		As at 30 September 2022 S\$'000	As at 31 December 2021 S\$'000	As at 30 September 2022 S\$'000	As at 31 December 2021 S\$'000
Non-current assets					
Investment properties	3	2,215,837	2,395,995	-	-
Plant and equipment		154	237	-	-
Intangible assets		360	427	-	-
Subsidiaries	4	-	-	914,977	912,373
Other receivables	5	410	466	-	-
		2,216,761	2,397,125	914,977	912,373
Current assets					
Trade and other receivables	5	16,739	23,623	422	589
Derivative financial assets		-	47	-	47
Cash and bank balances	6	107,821	119,222	4,140	11,720
		124,560	142,892	4,562	12,356
Total assets		2,341,321	2,540,017	919,539	924,729
Non-current liabilities					
Loans and borrowings	7	187,432	198,233	-	-
Deferred tax liabilities	8	389,318	420,432	-	-
Trade and other payables	9	1,479	1,620	43,683	53,109
		578,229	620,285	43,683	53,109
Current liabilities					
Loans and borrowings	7	755,201	755,851	680,638	677,378
Derivative financial liabilities		-	27	-	27
Trade and other payables	9	29,001	31,459	85,854	54,815
Loans from shareholders	10	17,003	-	17,003	-
Security deposits		15,351	17,362	-	-
Current tax liabilities		1,334	1,362	-	-
		817,890	806,061	783,495	732,220
Total liabilities		1,396,119	1,426,346	827,178	785,329
Net assets		945,202	1,113,671	92,361	139,400
Represented by:					
Units in issue	11	267,560	267,051	267,560	267,051
Other reserves	12	677,642	846,620	(175,199)	(127,651)
		945,202	1,113,671	92,361	139,400
Net asset value per unit attributable to Unitholders (S\$)	13	1.17	1.40	0.11	0.18

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B. Condensed interim consolidated statement of profit or loss

	Note	Group			
		3 months ended 30 September 2022 S\$'000	3 months ended 30 September 2021 S\$'000	9 months ended 30 September 2022 S\$'000	9 months ended 30 September 2021 S\$'000
Revenue		22,994	25,329	70,665	76,665
Property related taxes		(1,716)	(2,047)	(5,077)	(6,081)
Property and commercial management fees		(453)	(501)	(1,400)	(1,519)
Property operating expenses		(3,586)	(3,400)	(8,940)	(8,787)
Total property operating expenses		(5,755)	(5,948)	(15,417)	(16,387)
Net property income		17,239	19,381	55,248	60,278
Trustee-Manager's fees		(1,594)	(1,769)	(4,949)	(5,174)
Other trust expenses		(649)	(1,181)	(2,804)	(2,118)
Exchange loss		(7,730)	(3,118)	(15,476)	(8,969)
Other (expense) / income		(239)	(29)	(19)	740
Loss allowance on receivables		(3,727)	(5,283)	(15,085)	(7,950)
Finance income		206	245	705	793
Finance costs	14	(9,278)	(10,450)	(24,631)	(27,970)
Net (loss) / income		(5,772)	(2,204)	(7,011)	9,630
Net change in fair value of investment properties	3	241	(195)	(63,791)	837
(Loss) / Profit before income tax		(5,531)	(2,399)	(70,802)	10,467
Income tax (expense) / credit	15	(3,832)	(3,432)	4,999	(13,376)
Loss for the period	16	(9,363)	(5,831)	(65,803)	(2,909)
Attributable to:					
Unitholders of the Trust		(9,363)	(5,831)	(65,803)	(2,909)
Earnings per unit (cents)	17				
- Basic		(1.17)	(0.74)	(8.28)	(0.37)
- Diluted		(1.17)	(0.74)	(8.28)	(0.37)

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C. Condensed interim consolidated statement of comprehensive income

	Group			
	3 months ended 30 September 2022 S\$'000	3 months ended 30 September 2021 S\$'000	9 months ended 30 September 2022 S\$'000	9 months ended 30 September 2021 S\$'000
Loss for the period	(9,363)	(5,831)	(65,803)	(2,909)
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	(50,738)	21,408	(90,082)	73,050
Total comprehensive income for the period	(60,101)	15,577	(155,885)	70,141

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D. Condensed interim statements of changes in unitholders' funds

	Units in issue S\$'000	Statutory surplus reserve S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Accum- ulated losses S\$'000	Total S\$'000
The Group						
As at 1 January 2022	267,051	674	910,042	57,515	(121,611)	1,113,671
Loss for the period	-	-	-	-	(56,440)	(56,440)
Other comprehensive income:						
Foreign currency translation differences - foreign operations, net of tax	-	-	-	(39,344)	-	(39,344)
Other comprehensive income for the period	-	-	-	(39,344)	-	(39,344)
Transactions with Unitholders:						
Contributions by and distributions to Unitholders						
Distribution to Unitholders						
- Tax-exempt income	-	-	-	-	(13,093)	(13,093)
- Capital	(2,846)	-	-	-	-	(2,846)
Units issued and to be issued as payment for Trustee- Manager's fees						
	3,355	-	-	-	-	3,355
Total transactions with Unitholders	509	-	-	-	(13,093)	(12,584)
As at 30 June 2022	267,560	674	910,042	18,171	(191,144)	1,005,303
As at 1 July 2022	267,560	674	910,042	18,171	(191,144)	1,005,303
Loss for the period	-	-	-	-	(9,363)	(9,363)
Other comprehensive income:						
Foreign currency translation differences - foreign operations, net of tax	-	-	-	(50,738)	-	(50,738)
Other comprehensive income for the period	-	-	-	(50,738)	-	(50,738)
Reserves to be set aside under PRC laws	-	-	-	-	-	-
Transactions with Unitholders:						
Contributions by and distributions to Unitholders						
Distribution to Unitholders						
- Tax-exempt income	-	-	-	-	-	-
- Capital	-	-	-	-	-	-
Units issued and to be issued as payment for Trustee- Manager's fees						
	-	-	-	-	-	-
Total transactions with Unitholders	-	-	-	-	-	-
As at 30 September 2022	267,560	674	910,042	(32,567)	(200,507)	945,202

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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 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	-	-	-	-	(5,831)	(5,831)
Other comprehensive income:						
Foreign currency translation differences - foreign operations, net of tax	-	-	-	21,408	-	21,408
Other comprehensive income for the period	-	-	-	21,408	-	21,408
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	1,769	-	-	-	-	1,769
Total transactions with Unitholders	(19,159)	-	-	-	-	(19,159)
As at 30 September 2021	265,280	554	910,042	44,835	(75,485)	1,145,226

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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 October 2021	265,280	554	910,042	44,835	(75,485)	1,145,226
Loss for the period	-	-	-	-	(46,006)	(46,006)
Other comprehensive income:						-
Foreign currency translation differences - foreign operations, net of tax	-	-	-	12,680	-	12,680
Other comprehensive income for the period	-	-	-	12,680	-	12,680
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	-	-	-	-	-	-
Units issued and to be issued as payment for Trustee- Manager's fees	1,771	-	-	-	-	1,771
Total transactions with Unitholders	1,771	-	-	-	-	1,771
As at 31 December 2021	267,051	674	910,042	57,515	(121,611)	1,113,671

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

	Units in issue S\$'000	Accumulated losses S\$'000	Total S\$'000
The Trust			
As at 1 January 2022	267,051	(127,651)	139,400
Loss for the period	-	(19,464)	(19,464)
Total comprehensive income for the period	-	(19,464)	(19,464)
Transactions with Unitholders:			
Contributions by and distributions to Unitholders			
Distribution to Unitholders			
- Tax-exempt income	-	(13,093)	(13,093)
- Capital	(2,846)	-	(2,846)
Units issued and to be issued as payment for Trustee- Manager's fees	3,355	-	3,355
Total transactions with Unitholders	509	(13,093)	(12,584)
As at 30 June 2022	267,560	(160,208)	107,352
As at 1 July 2022	267,560	(160,208)	107,352
Loss for the period	-	(14,991)	(14,991)
Total comprehensive income for the period	-	(14,991)	(14,991)
Transactions with Unitholders:			
Contributions by and distributions to Unitholders			
Distribution to Unitholders			
- Tax-exempt income	-	-	-
- Capital	-	-	-
Units to be issued as payment for Trustee-Manager's fees	-	-	-
Total transactions with Unitholders	-	-	-
As at 30 September 2022	267,560	(175,199)	92,361

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

	Units in issue S\$'000	Accumulated losses S\$'000	Total S\$'000
The Trust			
As at 1 January 2021	282,032	(104,166)	177,866
Loss for the period	-	(11,995)	(11,995)
Total comprehensive income for the period	-	(11,995)	(11,995)
Transactions with Unitholders:			
Contributions by and distributions to Unitholders			
Distribution to Unitholders			
- Tax-exempt income	-	(10,514)	(10,514)
- Capital	(998)	-	(998)
Units issued and to be issued as payment for Trustee- Manager's fees	3,405	-	3,405
Total transactions with Unitholders	2,407	(10,514)	(8,107)
As at 30 June 2021	284,439	(126,675)	157,764
As at 1 July 2021	284,439	(126,675)	157,764
Loss for the period	-	(9,100)	(9,100)
Total comprehensive income for the period	-	(9,100)	(9,100)
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	1,769	-	1,769
Total transactions with Unitholders	(19,159)	-	(19,159)
As at 30 September 2021	265,280	(135,775)	129,505

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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 October 2021	265,280	(135,775)	129,505
Profit for the period	-	8,124	8,124
Total comprehensive income for the period	-	8,124	8,124
Transactions with Unitholders:			
Contributions by and distributions to Unitholders			
Distribution to Unitholders			
- Tax-exempt income	-	-	-
- Capital	-	-	-
Units issued and to be issued as payment for Trustee- Manager's fees	1,771	-	1,771
Total transactions with Unitholders	1,771	-	1,771
As at 31 December 2021	267,051	(127,651)	139,400

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E. Condensed interim consolidated statement of cash flows

	Note	Group			
		3 months ended 30 September 2022	3 months ended 30 September 2021	9 months ended 30 September 2022	9 months ended 30 September 2021
		S\$'000	S\$'000	S\$'000	S\$'000
Operating activities					
(Loss) / Profit before income tax		(5,531)	(2,399)	(70,802)	10,467
Adjustments for:					
Amortisation of intangible assets		18	14	54	45
Depreciation of plant and equipment		21	40	65	111
Finance costs	14	9,278	10,450	24,631	27,970
Finance income		(206)	(245)	(705)	(793)
Loss allowance on receivables		3,727	5,283	15,085	7,950
Net change in fair value of derivative financial instruments		239	29	19	(740)
Net change in fair value of investment properties	3	(241)	195	63,791	(837)
Recognition of rental income on a straight-line basis over the lease term		(448)	(255)	(876)	475
Trustee-Manager's fees paid in units		-	1,769	3,355	5,174
Plant and equipment written off		-	-	8	-
Operating cash flows before working capital changes		6,857	14,881	34,625	49,822
Changes in working capital:					
Trade and other receivables		(5,151)	452	(12,106)	(5,132)
Trade and other payables		10,113	(4,587)	14,971	(7,556)
Cash generated from operations		11,819	10,746	37,490	37,134
Income tax paid		(1,281)	(1,760)	(5,298)	(6,451)
Net cash generated from operating activities		10,538	8,986	32,192	30,683
Investing activities					
Capital expenditure on investment properties		(205)	(640)	(436)	(1,324)
Interest received		474	301	781	943
Purchase of intangible assets		(6)	(37)	(6)	(79)
Net cash generated from / (used in) investing activities		263	(376)	339	(460)
Financing activities					
Distributions paid	18	-	(3,701)	(15,939)	(15,213)
Finance costs paid		(7,719)	(4,825)	(20,941)	(17,800)
Interest free loans from shareholders		3,044	-	17,003	-
Payment of lease liabilities		(37)	(39)	(84)	(90)
Payment of loan transaction costs		(38)	(6,778)	(169)	(9,349)
Proceeds from borrowings		-	17,656	-	17,656
Repayment of borrowings		(3,640)	(1,022)	(18,450)	(17,511)
Withdrawal / (Placement) in cash pledged		975	(8,334)	1,778	11,756
Net cash (used in) financing activities		(7,415)	(7,043)	(36,802)	(30,551)
Net increase / (decrease) in cash and cash equivalents		3,386	1,567	(4,271)	(328)
Cash and cash equivalents at the beginning of the period		78,555	99,616	88,016	98,791
Effect of exchange rate changes on cash and cash equivalents		(2,306)	814	(4,110)	3,534
Cash and cash equivalents at the end of the period	6	79,635	101,997	79,635	101,997

Significant non-cash transactions

The Trustee-Manager's trustee fee and base management fee for the nine-month period ended 30 September 2022 ("9M2022") was S\$ 4,949,000 (nine-month period ended 30 September 2021 ("9M2021"): S\$5,174,000). S\$3,355,000 (9M2021: S\$3,405,000) was paid during the period by the issue of 10,459,000 (9M2021: 4,979,000) units. The remaining S\$1,594,000 will be paid by cash subsequent to the period end (9M 2021: the remaining S\$1,769,000 were issued subsequent to the period end by the issuance of 4,475,000 units).

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F. Notes to the condensed interim consolidated financial statements

1. General

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

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

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

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

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

2. Basis of preparation

2.1 Statement of compliance

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

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

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

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

2.2 Going concern basis of preparation of financial statements

As at 30 September 2022, the Group and the Trust were in net current liabilities of S\$693,330,000 (31 December 2021: S\$663,169,000) and S\$778,933,000 (31 December 2021: S\$719,864,000) respectively, as the syndicated term loans pertaining to the Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour (the "Initial Portfolio") and Shiqi Metro Mall of \$493,105,000 (31 December 2021: S\$499,520,000) in aggregate; the offshore syndicated term loans pertaining to Shunde Metro Mall and Tanbei Metro Mall of \$135,781,000 (31 December 2021: S\$132,851,000) in aggregate; and the offshore syndicated term loans pertaining to Doumen Metro Mall of \$105,543,000 (31 December 2021: S\$105,728,000) in aggregate are due and payable on 31 December 2022.

In addition, the Group and the Trust drawdown the 24-month credit loan facility of US\$13,120,000 equivalent to S\$18,824,000 (31 December 2021: US\$13,120,000 equivalent to S\$17,763,000) in September 2021 which is revolving every 12 months.

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

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

- (i) On 12 October 2021, New Harvest and Sino-Ocean Capital became the immediate holding and the ultimate holding companies of the Trustee-Manager respectively.

On 12 October 2021, Sino-Ocean Capital held approximately 6.3% of the total issued units in the Trust via its affiliate Glory Class Ventures Limited which acquired an additional 6% of the total issued units of the Trust from Aqua Wealth Holdings Limited by exercising the call option as announced on 4 May 2022. Sino Ocean Capital currently holds approximately 12% of the total issued units in the Trust via its affiliate Glory Class Ventures Limited.

- (ii) The Trustee-Manager has commenced discussions with more than one leading Chinese enterprise for potential strategic investment with the objective of leveraging their resources to conclude the Trust's refinancing effort as announced by the Trust on 19 September 2022;
- (iii) the Trust's property portfolio is strategically located in the core cities of the Guangdong-Hong Kong-Macau Greater Bay Area ("Greater Bay Area") where there are limited competing properties. The portfolio has stable growth potential from its resilient lease structure, diversified tenants and business mix as well as balanced mix of mature and growth assets;
- (iv) the Group has sufficient cash and cash equivalents and is able to generate positive cash flow from its operations to meet its day-to-day working capital needs; and
- (v) the Group complied with the stated financial covenants during the period up to the date of this condensed interim financial statements.

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

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

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

- (i) the Group is successful in its efforts to timely execute the re-financing of its loans which are due for repayment on 31 December 2022;
- (ii) the Group continues to generate positive cash flows from its operations to meet its day-to-day working capital needs; and
- (iii) the Group is able to obtain sufficient financial support from Sino-Ocean Capital when needed.

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

2.3 New and amended standards adopted by the Group

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

2.4 Use of estimates and judgements

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

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

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

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

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

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

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

2.4 Use of estimates and judgements (cont'd)

Measurement of fair values

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

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

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

3. Investment properties

	Group	
	As at 30 September 2022 S\$'000	As at 31 December 2021 S\$'000
At 1 January	2,395,995	2,345,729
Capital expenditure	436	2,343
	2,396,431	2,348,072
Effects of recognising accounting income on a straight-line basis over the lease term	876	(1,267)
Changes in fair value	(63,791)	(62,844)
Translation differences on consolidation	(117,679)	112,034
At 30 September 2022 and 31 December 2021	2,215,837	2,395,995

	Group					
	As at 30 September 2022 RMB'000	As at 31 December 2021 RMB'000	%	As at 30 September 2022 S\$'000	As at 31 December 2021 S\$'000	%
Investment properties			change			change
Shiqi Metro Mall	2,760,000	2,812,900	(2)	556,480	596,906	(7)
Xiaolan Metro Mall	1,959,000	2,023,800	(3)	394,979	429,456	(8)
Ocean Metro Mall	1,611,000	1,675,500	(4)	324,815	355,546	(9)
Dasin E-Colour	260,000	265,000	(2)	52,422	56,234	(7)
Doumen Metro Mall	1,906,000	1,974,000	(3)	384,293	418,889	(8)
Shunde Metro Mall	2,428,000	2,468,250	(2)	489,541	523,770	(7)
Tanbei Metro Mall	66,000	71,600	(8)	13,307	15,194	(12)
	10,990,000	11,291,050	(3)	2,215,837	2,395,995	(8)

Security

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

Measurement of fair value

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

The carrying values of the investment properties as at 30 September 2022 were based on internal assessments taking into consideration the independent desktop valuation of the investment properties as at 30 June 2022 undertaken by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL"). In addition, the Trustee-Manager considered that the investment properties were 92.9% occupied, the stability of market rents, the underlying key data including the discount, capitalisation and terminal yield rates and the current condition of the PRC economy. Overall, the Trustee-Manager has assessed that the valuations of the investment properties as at 30 September 2022 did not materially defer from those as at 30 June 2022.

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

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

3. Investment properties (cont'd)

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

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

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

Level 3 fair values

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

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

4. Subsidiaries

	Trust	
	As at 30 September 2022	As at 31 December 2021
	S\$'000	S\$'000
Unquoted equity, at cost	126,400	126,400
Loans to subsidiaries	788,577	785,973
	914,977	912,373

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

4. Subsidiaries (cont'd)

The loans to subsidiaries of the Trust consist of a S\$456.1 million, US\$124.1 million (S\$178.1 million) and RMB765 million (S\$154.3 million) equivalent to S\$788.5 million in aggregate, which are unsecured, interest-free and are not expected to be repaid within the next twelve months. These loans were granted to subsidiaries to fund the acquisition of the investment properties of the Group.

5. Trade and other receivables

	Group		Trust	
	As at 30 September 2022 S\$'000	As at 31 December 2021 S\$'000	As at 30 September 2022 S\$'000	As at 31 December 2021 S\$'000
<u>Non-current</u>				
Finance lease receivables	410	466	-	-
<u>Current</u>				
Trade receivables - third parties	14,639	9,519	-	-
Loss allowance on receivables	(14,626)	(4,623)	-	-
	13	4,896	-	-
Trade receivables - related parties*	14,182	9,331	-	-
Loss allowance on receivables *	(9,658)	(5,758)	-	-
	4,524	3,573	-	-
Trade receivables (net)	4,537	8,469	-	-
Other receivables	855	463	8	9
Loss allowance on receivables	(47)	(2)	-	-
	808	461	8	9
VAT receivables	8,782	12,348	-	-
Interest receivables	16	119	3	-
Amount due from related parties (non-trade)	1,745	1,242	-	-
Amount due from subsidiaries (non-trade)	-	-	407	380
Trade and other receivables	15,888	22,639	418	389
Contract costs	49	77	-	-
Prepayment	460	540	4	200
Advances to a supplier	342	367	-	-
	16,739	23,623	422	589

* The trade receivables from related parties include S\$5.8 million (31 December 2021: S\$2.4 million) due from Zhongshan Dasin Metro-Mall Merchant Investment Co. Ltd., the master lessee for Xiaolan Metro Mall and Dasin E-Colour, of which the corresponding loss allowances of S\$5.0 million (31 December 2021: S\$1.6 million) have been provided for.

The trade receivables are mainly from tenants with the Trust and its subsidiaries (collectively, the "Group"). Concentration of credit risk is limited as the Group has many varied tenants and a credit policy of obtaining security deposits from tenants for the lease of units in the Group's investment properties. The Group recognised loss allowance for expected credit losses (ECLs) amounting to S\$24.3 million as at 30 September 2022 (31 December 2021: S\$10.4 million) in accordance with IFRS 9 *Financial Instruments*. In recognising the loss allowance, the Group uses historical credit loss experience and adjust for current conditions and forward-looking factors specific to the debtors and the economic environment, so as to determine the overall allowance for ECL.

Non-current finance lease receivables of S\$0.41 million (31 December 2021: S\$0.466 million) relate to a lease receivable from a tenant for a period of ten-year.

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

6. Cash and bank balances

Cash and bank balances of the Group and the Trust included restricted cash, which were placed as security deposit to secure bank borrowings, as at 30 September 2022 of approximately S\$28.2 million (31 December 2021: S\$31.2 million) and S\$4.0 million (31 December 2021: S\$6.3 million) respectively.

	Group	
	As at 30 September 2022	As at 31 December 2021
	S\$'000	S\$'000
Bank balances	102,666	113,471
Fixed deposits with financial institutions	5,155	5,751
Cash and bank balances in Statement of Financial Position	107,821	119,222
Less: Restricted cash	(28,186)	(31,206)
Cash and cash equivalents in Statement of Cash Flows	79,635	88,016

Fixed deposits have original maturities of one month or less.

Restricted cash included (i) S\$8.6 million (31 December 2021: S\$11.0 million) relating to securities pledged by a subsidiary and the Trust to obtain the term loan facilities (see note 7), (ii) S\$0.37 million and S\$18.5 million (RMB92 million) (31 December 2021: S\$0.4 million and S\$19.1 million (RMB90 million)) relating to security pledged by the Trust and a subsidiary respectively to obtain the revolving credit facility for the Trust (see note 7) and (iii) S\$0.7 million (31 December 2021: S\$0.7 million) held by a subsidiary.

7. Loans and borrowings

	Group		Trust	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Secured borrowings:				
- Amount repayable within one year	755,225	757,867	680,638	679,367
- Amount repayable after one year	190,011	201,539	-	-
	945,236	959,406	680,638	679,367
Unsecured borrowings:	-	-	-	-
Total gross borrowings	945,236	959,406	680,638	679,367
Less capitalised transaction costs	(2,603)	(5,322)	-	(1,989)
Total borrowings net of transaction costs	942,633	954,084	680,638	677,378
Current	755,201	755,851	680,638	677,378
Non-current	187,432	198,233	-	-
Total	942,633	954,084	680,638	677,378

Details of any collaterals

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

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

7. Loans and borrowings (cont'd)

	Nominal interest rate per annum	Year of maturity		Face value Original currency ('000)	Face value \$'000	Group Carrying amount \$'000	Trust Carrying amount \$'000
	%						
As at 30 September 2022							
Initial Portfolio and Shiqi Metro Mall							
Onshore secured floating rate term loan	5.225 - 5.725	2022	RMB	360,152	72,615	72,590	-
Offshore secured floating rate term loan	1.53-3.14	2022	SGD	234,144	234,144	234,144	234,144
Offshore secured floating rate term loan	1.41-3.66	2022	USD	129,882	186,346	186,346	186,346
					493,105	493,081	420,490
Doumen Metro Mall							
Onshore secured floating rate term loan	4.900	2022-2029	RMB	483,750	97,535	96,545	-
Offshore secured floating rate term loan	1.83-3.28	2022	SGD	53,328	53,328	53,328	53,328
Offshore secured floating rate term loan	1.64-2.93	2022	HKD	285,686	52,215	52,215	52,215
					203,078	202,087	105,543
Shunde Metro Mall and Tanbei Metro Mall							
Onshore secured floating rate term loan	4.750	2022-2025	RMB	468,440	94,448	92,860	-
Offshore secured floating rate term loan	1.72-2.53	2022	SGD	87,000	87,000	87,000	87,000
Offshore secured floating rate term loan	1.32-2.24	2022	USD	34,000	48,781	48,781	48,781
					230,229	228,641	135,781
Revolving credit facility							
Revolving credit facility	2.91-3.76	2022	USD	13,120	18,824	18,824	18,824
					945,236	942,633	680,638

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

7. Loans and borrowings (cont'd)

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

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

8. Deferred tax liabilities

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

9. Trade and other payables

	Group		Trust	
	As at 30 September 2022 S\$'000	As at 31 December 2021 S\$'000	As at 30 September 2022 S\$'000	As at 31 December 2021 S\$'000
<u>Non-current</u>				
Trade payables	1,048	1,061	-	-
Lease liabilities	431	559	-	-
Amounts due to subsidiaries (non-trade, interest bearing)	-	-	43,683	53,109
	1,479	1,620	43,683	53,109
<u>Current</u>				
Trade payables - third parties	4,709	11,233	-	-
Trade payables - related parties	2,765	3,700	-	-
	7,474	14,933	-	-
Accrued operating expenses	2,361	1,215	1,686	402
Amounts due to subsidiaries (non-trade, interest free)	-	-	65,906	48,284
Amounts due to subsidiaries (non-trade, interest bearing)	-	-	8,854	-
Amounts due to related parties (non-trade)	6,319	5,265	5,983	5,042
Management fee payable to Trustee-Manager	1,594	-	1,594	-
Interest payables	3,146	2,470	1,332	721
Other payables	1,026	934	179	263
Construction cost payable to a third party	3,911	4,382	-	-
	25,831	29,199	85,534	54,712
Receipt in advance from tenants	1,962	1,385	-	-
Other taxes	1,208	875	320	103
	29,001	31,459	85,854	54,815

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

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

10. Loans from shareholders

The loans from shareholders are unsecured, interest free and are subordinated to bank loans and borrowings.

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

11. Units in issue

	Group and Trust			
	As at 30 September 2022	As at 30 September 2022	As at 31 December 2021	As at 31 December 2021
	Number of units ('000)	S\$'000	Number of units ('000)	S\$'000
Units in issue				
At 1 January	794,014	267,051	779,716	282,032
Units issued arising from:				
Trustee-Manager's fees paid in units	10,459	3,355	9,454	5,174
Distribution to unitholders	-	(2,846)	-	(21,926)
	804,473	267,560	789,170	265,280
Units to be issued				
- Trustee-Manager's fees payable in units	-	-	4,844	1,771
Total issued and issuable units as at 30 September/31 December	804,473	267,560	794,014	267,051

The Group and the Trust had issued a total of 10,458,510 (year ended 31 December 2021: 14,298,110) units to the Trustee-Manager, amounting to approximately S\$3,355,000 (year ended 31 December 2021: S\$6,945,000) at unit prices ranging from S\$0.3139 to S\$0.3282 (year ended 31 December 2021: S\$0.3657 to S\$0.7239) as satisfaction of the base management fee and trustee fee payable in units in respect of first half of FY2022. Effective from third quarter of FY2022, the Trustee-Manager has elected to receive 100% of the base fee of management fee and trustee fee in cash.

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

The Group and the Trust do not hold any treasury units as at 30 September 2022 and 31 December 2021. The total number of issued units excluding treasury units as at 30 September 2022 and 31 December 2021 was 804,472,757 and 789,169,807 respectively.

12. Other reserves

Note	Group		Trust	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Statutory surplus reserve	(i) 674	674	-	-
Capital reserve	(ii) 910,042	910,042	-	-
Foreign currency translation reserve	(iii) (32,567)	57,515	-	-
Accumulated losses	(200,507)	(121,611)	(175,199)	(127,651)
	677,642	846,620	(175,199)	(127,651)

(i) Statutory surplus reserve

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

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

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

12. Other reserves (cont'd)

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

	30 September 2022	31 December 2021	30 September 2021
Month-end exchange rate SGD/RMB	4.9598	4.7125	4.7466
Month-end exchange rate USD/SGD	1.4374	1.3486	1.3582
Month-end exchange rate SGD/HKD	5.4714	5.7819	5.7320
Average exchange rate SGD/RMB	4.8074	4.7893	4.8196

13. Net Asset Value per unit

	Group		Trust	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
Net asset value per unit is based on:				
- Net assets (S\$'000)	945,202	1,113,671	92,361	139,400
- Total number of issued and issuable units at the end of the period/year ('000)	804,473	794,014	804,473	794,014
Net asset value per unit (S\$):	1.17	1.40	0.11	0.18

14. Finance costs

	3 months ended 30 September 2022 S\$'000	3 months ended 30 September 2021 S\$'000	9 months ended 30 September 2022 S\$'000	9 months ended 30 September 2021 S\$'000
Amortisation of capitalised borrowing costs	655	4,179	2,531	9,401
Interest expense	58	191	184	522
Interest expense on loans and borrowings	8,558	6,071	21,894	18,003
Interest expense on Right-Of-Use (ROU) assets	7	9	22	44
	9,278	10,450	24,631	27,970

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

15. Income tax expense

	3 months ended 30 September 2022 S\$'000	3 months ended 30 September 2021 S\$'000	9 months ended 30 September 2022 S\$'000	9 months ended 30 September 2021 S\$'000
Current income tax expense - PRC	1,341	1,680	4,370	5,237
Withholding tax expense	236	260	777	793
Deferred tax expense/(credit) relating to origination and reversal of temporary differences	1,577	1,940	5,147	6,030
	2,255	1,492	(10,146)	7,346
	3,832	3,432	(4,999)	13,376

16. Loss for the period

The following items have been included in arriving at the loss for the period:

	3 months ended 30 September 2022 S\$'000	3 months ended 30 September 2021 S\$'000	9 months ended 30 September 2022 S\$'000	9 months ended 30 September 2021 S\$'000
Audit fees paid/payable to auditors	27	101	303	343
Depreciation of plant and equipment	21	40	65	111
Amortisation of intangible assets	18	14	54	45
Facility agent and security agent fees	115	125	312	324
GST expenses	220	171	547	453
Investor relations	(18)	20	53	77
Loss allowance on receivables	3,727	5,283	15,085	7,950
Professional fees (Note)	277	719	1,486	853
Stamp duty	10	-	109	138

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

17. Earnings per unit

	Group			
	3 months ended 30 September 2022	3 months ended 30 September 2021	9 months ended 30 September 2022	9 months ended 30 September 2021
Earnings per Unit ("EPU")				
Weighted average number of Units in issue ('000)	799,460	783,221	794,574	780,605
Basic EPU (cents)	(1.17)	(0.74)	(8.28)	(0.37)
Diluted EPU				
Weighted average number of Units outstanding ('000)	799,460	783,270	794,574	785,080
Diluted EPU (cents)	(1.17)	(0.74)	(8.28)	(0.37)

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

17. Earnings per unit (cont'd)

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

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

18. Distribution paid to Unitholders

	Group	
	9 months ended 30 September 2022 S\$'000	9 months ended 30 September 2021 S\$'000
Tax-exempt income distribution: 1.84 cents per unit for the period from 1 July 2021 to 31 December 2021 (3QFY2021: 1.79 cents per unit for the period from 7 July 2020 to 31 December 2020)	13,093	10,514
Capital distribution: 0.4 cents per unit for the period from 1 July 2021 to 31 December 2021 (3QFY2021: 0.17 cents per unit for the period from 7 July 2020 to 31 December 2020)	2,846	998
Capital distribution: Nil cents per unit for the period from 1 Jan 2022 to 30 June 2022 (3QFY2021: 2.98 cents per unit for the period from 1 Jan 2021 to 30 June 2021)*	-	20,928
	15,939	32,440

**subsequently paid on 4 October 2021 due to technical issues with fund transfer*

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

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

19. Segment information

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

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

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

20. Reportable segments (Group)

	Shiqi Metro Mall		Xiaolan Metro Mall		Ocean Metro Mall		Dasin E-Colour		Doumen Metro Mall		Shunde Metro Mall		Tanbei Metro Mall		Total	
	9 months ended 30 September 2022 S\$'000	9 months ended 30 September 2021 S\$'000	9 months ended 30 September 2022 S\$'000	9 months ended 30 September 2021 S\$'000	9 months ended 30 September 2022 S\$'000	9 months ended 30 September 2021 S\$'000	9 months ended 30 September 2022 S\$'000	9 months ended 30 September 2021 S\$'000	9 months ended 30 September 2022 S\$'000	9 months ended 30 September 2021 S\$'000	9 months ended 30 September 2022 S\$'000	9 months ended 30 September 2021 S\$'000	9 months ended 30 September 2022 S\$'000	9 months ended 30 September 2021 S\$'000	9 months ended 30 September 2022 S\$'000	9 months ended 30 September 2021 S\$'000
External revenues:																
- Gross rental income	14,499	15,352	15,244	16,012	7,335	8,759	1,398	1,862	11,321	11,885	12,184	12,648	716	994	62,697	67,512
- Others	1,524	1,836	1,256	1,435	1,569	1,719	169	259	1,653	1,918	1,655	1,891	142	95	7,968	9,153
Gross revenue	16,023	17,188	16,500	17,447	8,904	10,478	1,567	2,121	12,974	13,803	13,839	14,539	858	1,089	70,665	76,665
Segment net property income	12,932	14,215	13,542	14,776	5,989	7,480	986	1,428	9,767	9,784	11,328	11,691	704	904	55,248	60,278
Finance income	565	589	358	303	588	492	27	49	298	131	80	92	12	18	1,928	1,674
Finance costs	3	6	-	-	3,099	3,520	-	-	3,883	3,865	4,187	4,339	133	201	11,305	11,931
Segment assets	607,152	652,250	442,922	498,122	363,370	400,280	61,394	66,758	413,740	456,210	516,043	551,539	19,000	22,670	2,423,621	2,647,829
Segment liabilities	242,540	258,618	190,987	208,125	253,939	269,324	49,976	51,385	258,074	272,467	315,558	334,516	24,275	26,911	1,335,349	1,421,346
Other segment items:																
Depreciation and amortisation	59	57	16	16	13	12	9	8	9	17	5	36	8	10	119	156
Net change in fair value of investment properties	11,022	1,541	13,214	5,308	13,369	(2,861)	841	493	14,977	(4,068)	9,373	(1,219)	995	(31)	63,791	(837)
Loss allowance on receivables	4,210	3,197	4,783	1,081	1,468	996	1,705	1,024	1,161	505	1,117	766	641	381	15,085	7,950
Capital expenditure	124	57	33	850	3	424	-	15	261	46	21	9	-	2	442	1,403

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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	
	9 months ended 30 September 2022 S\$'000	9 months ended 30 September 2021 S\$'000
Revenue		
Total revenue for reporting segments	70,665	76,665
Total (loss)/profit before income tax		
Total (loss)/profit for reportable segments before income tax	(33,005)	42,908
Unallocated amounts:		
- Other corporate expenses	(36,562)	(31,536)
- Elimination of intercompany transactions	(1,235)	(905)
(Loss)/ Profit before income tax	(70,802)	10,467

	Group	
	As at 30 September 2022 S\$'000	As at 31 December 2021 S\$'000
Assets		
Total assets for reportable segments	2,423,621	2,595,653
Other unallocated amounts	4,160	11,987
Elimination of intercompany balances	(86,460)	(67,623)
Consolidated assets	2,341,321	2,540,017

Liabilities		
Total liabilities for reportable segments	1,335,349	1,417,163
Other unallocated amounts	708,789	683,978
Elimination of intercompany balances	(648,019)	(674,795)
Consolidated liabilities	1,396,119	1,426,346

	Reportable segment totals S\$'000	Unallocated amounts S\$'000	Elimination of intercompany transactions S\$'000	Consolidated totals S\$'000
Other material items for 9 months ended 30 September 2022				
Finance income	1,928	12	(1,235)	705
Finance costs	11,305	13,326	-	24,631
Other material items for 9 months ended 30 September 2021				
Finance income	1,674	24	(905)	793
Finance costs	11,931	16,039	-	27,970

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)

21. Significant related party transactions

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

	Group				
	3 months ended 30 September 2022 S\$'000	3 months ended 30 September 2021 S\$'000	9 months ended 30 September 2022 S\$'000	9 months ended 30 September 2021 S\$'000	
	Commercial management fees paid/payable to a related party				
	- management fee	222	249	691	765
- reimbursement of expenses at cost	525	489	1,427	1,303	
Property management fees paid/payable to a related party					
- management fee	222	249	691	765	
- reimbursement of expenses at cost	1,424	2,083	3,883	5,905	
Lease rental received/receivable from related parties					
- lease rental income ⁽¹⁾	2,734	4,583	8,339	14,751	
- reimbursement of expenses at cost	272	589	697	1,530	
Lease rental paid/payable	16	16	50	48	
Other revenue from related parties	34	196	108	696	
Other property operating expenses paid/payable to related parties	30	67	66	235	
Advances from a beneficiary of the ultimate controlling party of the Trust	-	-	-	2,250	
Interest free loans from shareholders	3,044	-	17,003	-	
Advances from related parties	1,031	-	1,155	32	

⁽¹⁾ Included in this amount was rental rebate (excluding the straight-line basis over the term of the lease) of S\$26,000 (9M2021: S\$19,000) for 9M2022 which has been deducted against the lease rental income.

During 9M2022, the Group waived charges amounting to S\$1,839,000 (9M2021: S\$765,000) for late payment of lease rental from related parties in the ordinary course of business.

22. Financial Assets and Financial Liabilities

Accounting classifications and fair values

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

Measurement of fair value

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

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

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

22. Financial Assets and Financial Liabilities (cont'd)

	Carrying amount				Fair value			
	Financial assets at amortised cost	FVTPL	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group								
As at 30 September 2022								
Financial assets not measured at fair value								
Trade and other receivables	16,298	-	-	16,298	-	-	-	-
Cash and cash equivalents	107,821	-	-	107,821	-	-	-	-
	124,119	-	-	124,119	-	-	-	-
Financial assets measured at fair value								
Financial derivative assets	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	-	-	27,310	27,310	-	-	-	-
Loans from shareholders	-	-	17,003	17,003	-	-	-	-
Security deposits	-	-	15,351	15,351	-	-	-	-
Loans and borrowings	-	-	942,633	942,633	-	946,946	-	946,946
	-	-	1,002,297	1,002,297	-	946,946	-	946,946
Financial liabilities measured at fair value								
Financial derivative liabilities	-	-	-	-	-	-	-	-

	Carrying amount				Fair value			
	Financial assets at amortised cost	FVTPL	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group								
As at 31 December 2021								
Financial assets not measured at fair value								
Trade and other receivables	23,105	-	-	23,105	-	-	-	-
Cash and cash equivalents	119,222	-	-	119,222	-	-	-	-
	142,327	-	-	142,327	-	-	-	-
Financial assets measured at fair value								
Financial derivative assets	-	47	-	47	-	47	-	47
Financial liabilities not measured at fair value								
Trade and other payables	-	-	30,819	30,819	-	-	-	-
Security deposits	-	-	17,362	17,362	-	-	-	-
Loans and borrowings	-	-	954,084	954,084	-	961,816	-	961,816
	-	-	1,002,265	1,002,265	-	961,816	-	961,816
Financial liabilities measured at fair value								
Financial derivative liabilities	-	27	-	27	-	27	-	27

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

22. Financial Assets and Financial Liabilities (cont'd)

	Carrying amount				Fair value			
	Financial assets at amortised cost \$'000	FVTPL \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Trust								
As at 30 September 2022								
Financial assets not measured at fair value								
Trade and other receivables	418	-	-	418	-	-	-	-
Cash and cash equivalents	4,140	-	-	4,140	-	-	-	-
	4,558	-	-	4,558	-	-	-	-
Financial assets measured at fair value								
Financial derivative assets	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	-	-	129,217	129,217	-	-	-	-
Loans from shareholders	-	-	17,003	17,003	-	-	-	-
Loans and borrowings	-	-	680,638	680,638	-	680,723	-	680,723
	-	-	826,858	826,858	-	680,723	-	680,723
Financial liabilities measured at fair value								
Financial derivative liabilities	-	-	-	-	-	-	-	-

	Carrying amount				Fair value			
	Financial assets at amortised cost \$'000	FVTPL \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Trust								
As at 31 December 2021								
Financial assets not measured at fair value								
Trade and other receivables	389	-	-	389	-	-	-	-
Cash and cash equivalents	11,720	-	-	11,720	-	-	-	-
	12,109	-	-	12,109	-	-	-	-
Financial assets measured at fair value								
Financial derivative assets	-	47	-	47	-	47	-	47
Financial liabilities not measured at fair value								
Trade and other payables	-	-	107,821	107,821	-	-	-	-
Loans and borrowings	-	-	677,378	677,378	-	679,329	-	679,329
	-	-	785,199	785,199	-	679,329	-	679,329
Financial liabilities measured at fair value								
Financial derivative liabilities	-	27	-	27	-	27	-	27

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

1. Review of performance of the Group

A. Investment Properties

Investment properties (RMB-denominated assets) decreased by S\$180.2 million as at 30 September 2022 compared to 31 December 2021. The decrease in fair value of the investment properties as at 30 September 2022 compared to 31 December 2021 is primarily due to the ongoing market disruption to rental rates caused by COVID-19 pandemic, which continued to affect market activity and rental performance in many property sectors. In addition, the decrease in turnover rent and negative reversion rental rate from some newly signed leases during the nine-month period ended 30 September 2022 also contributed to the decrease in valuation of the investment properties as at 30 September 2022. The decrease in fair value of the investment properties as at 30 September 2022 is also contributed by foreign exchange due to weakening of Renminbi (RMB) against Singapore dollars as the investment properties are denominated in RMB.

B. Subsidiaries (Trust)

The increase is due to the Trust recognising a net unrealised foreign exchange gain of S\$2.6 million in 9M2022, relating to the USD-denominated and RMB-denominated loans extended to the subsidiaries as at 30 September 2022.

C. Deferred Tax Liabilities

Deferred tax liabilities decreased by S\$31.1 million as at 30 September 2022 is mainly attributable to write back of deferred tax liability of S\$6.5 million arising from the net fair value loss of S\$63.8 million of the investment properties, the exchange gain of S\$21.2 million from the weakening of RMB against SGD for the RMB-denominated assets and the S\$3.4 million arising from the changes in loss allowance on receivables.

D. Revenue

(i) Breakdown of revenue for 3Q2022 vs 3Q2021

	3 months ended 30 September 2022 RMB'000	3 months ended 30 September 2021 RMB'000	% change	3 months ended 30 September 2022 S\$'000	3 months ended 30 September 2021 S\$'000	% change
Revenue:						
Shiqi Metro Mall	25,532	27,533	(7)	5,183	5,769	(10)
Xiaolan Metro Mall	27,701	26,263	5	5,634	5,507	2
Ocean Metro Mall	14,562	16,809	(13)	2,959	3,522	(16)
Dasin E-Colour	2,787	3,059	(9)	568	642	(12)
Doumen Metro Mall	20,180	22,479	(10)	4,093	4,709	(13)
Shunde Metro Mall	21,160	22,951	(8)	4,289	4,810	(11)
Tanbei Metro Mall	1,322	1,766	(25)	268	370	(28)
	113,244	120,860	(6)	22,994	25,329	(9)

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

1. Review of performance of the Group (cont'd)

D. Revenue (cont'd)

(ii) Breakdown of revenue for 9M2022 vs 9M2021

	9 months ended 30 September 2022	9 months ended 30 September 2021	%	9 months ended 30 September 2022	9 months ended 30 September 2021	%
	RMB'000	RMB'000	change	S\$'000	S\$'000	change
Revenue:						
Shiqi Metro Mall	77,029	82,838	(7)	16,023	17,188	(7)
Xiaolan Metro Mall	79,322	84,087	(6)	16,500	17,447	(5)
Ocean Metro Mall	42,805	50,499	(15)	8,904	10,478	(15)
Dasin E-Colour	7,533	10,222	(26)	1,567	2,121	(26)
Doumen Metro Mall	62,371	66,524	(6)	12,974	13,803	(6)
Shunde Metro Mall	66,529	70,071	(5)	13,839	14,539	(5)
Tanbei Metro Mall	4,125	5,248	(21)	858	1,089	(21)
	339,714	369,489	(8)	70,665	76,665	(8)

(iii) Breakdown of revenue before adjustment for straight-lining basis over the lease term (SLA) and after adjustment for SLA for 9M2022 vs 9M2021

	9 months ended 30 September 2022			9 months ended 30 September 2021		
	Before adjustment for SLA	Straight-lining basis over the lease term (SLA)	After adjustment for SLA	Before adjustment for SLA	Straight-lining basis over the lease term (SLA)	After adjustment for SLA
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:						
Shiqi Metro Mall	16,132	(109)	16,023	17,439	(251)	17,188
Xiaolan Metro Mall	16,798	(298)	16,500	17,944	(497)	17,447
Ocean Metro Mall	8,954	(50)	8,904	10,731	(253)	10,478
Dasin E-Colour	1,766	(199)	1,567	2,149	(28)	2,121
Doumen Metro Mall	12,410	564	12,974	13,965	(162)	13,803
Shunde Metro Mall	12,858	981	13,839	13,899	640	14,539
Tanbei Metro Mall	871	(13)	858	1,013	76	1,089
	69,789	876	70,665	77,140	(475)	76,665

Revenue of S\$70.7 million for 9M2022 was lower than revenue of S\$76.7 million for 9M2021 by approximately S\$6 million or 7.8% mainly due to repeated COVID outbreaks in some parts of China, certain malls and trade sectors were temporarily closed under local government's order. Strict travelling restriction and social distancing measures had also suppressed consumptions. To fulfil the commitment to tide through the crisis with our tenants, rental rebates of S\$3.5 million (RMB16.5 million) for 9M2022 (9M2021: S\$1.2 million (RMB5.7 million)) were provided. This resulted in lower revenue contribution from all the properties.

Revenue before adjustment for straight-lining basis over the lease term (non-cash) for all the malls for 9M2022 was lower by approximately S\$7.3 million or 9%, compared to those of 9M2021, owing to the impact from COVID-19.

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

1. Review of performance of the Group (cont'd)

E. Net property income

(i) Breakdown of net property income for 3Q2022 vs 3Q2021

	3 months ended 30 September 2022 RMB'000	3 months ended 30 September 2021 RMB'000	% change	3 months ended 30 September 2022 S\$'000	3 months ended 30 September 2021 S\$'000	% change
Net property income:						
Shiqi Metro Mall	20,235	22,262	(9)	4,105	4,666	(12)
Xiaolan Metro Mall	22,042	22,147	-	4,478	4,645	(4)
Ocean Metro Mall	8,791	11,291	(22)	1,779	2,368	(25)
Dasin E-Colour	1,757	1,869	(6)	358	393	(9)
Doumen Metro Mall	14,402	15,156	(5)	2,915	3,177	(8)
Shunde Metro Mall	16,733	18,325	(9)	3,387	3,841	(12)
Tanbei Metro Mall	1,070	1,388	(23)	217	291	(25)
	85,030	92,438	(8)	17,239	19,381	(11)

(ii) Breakdown of net property income for 9M2022 vs 9M2021

	9 months ended 30 September 2022 RMB'000	9 months ended 30 September 2021 RMB'000	% change	9 months ended 30 September 2022 S\$'000	9 months ended 30 September 2021 S\$'000	% change
Net property income:						
Shiqi Metro Mall	62,169	68,510	(9)	12,932	14,215	(9)
Xiaolan Metro Mall	65,102	71,214	(9)	13,542	14,776	(8)
Ocean Metro Mall	28,791	36,050	(20)	5,989	7,480	(20)
Dasin E-Colour	4,740	6,882	(31)	986	1,428	(31)
Doumen Metro Mall	46,954	47,155	-	9,767	9,784	-
Shunde Metro Mall	54,458	56,345	(3)	11,328	11,691	(3)
Tanbei Metro Mall	3,384	4,357	(22)	704	904	(22)
	265,598	290,513	(9)	55,248	60,278	(8)

The net property income margin ("NPI margin") of the Group remained almost unchanged at 78.2% for 9M2022 compared to 9M2021.

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

1. Review of performance of the Group (cont'd)

F. 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 up to first half of FY2022. Subsequently, Trustee-Manager has elected to receive 100% of the base fee of management fee and the trustee fee in cash.

Trustee-Manager's fees for 9M2022 decreased slightly by S\$0.2 million compared to 9M2021 due to decrease in total assets.

G. Exchange loss

Exchange loss for 9M2022 of S\$15.5 million was mainly due to unrealised exchange loss from the weakening of SGD against USD and HKD, arising from the USD and HKD denominated bank loans of US\$163.9 million and HKD285.7 million respectively; and offset by exchange gain arising from the RMB denominated bank loans of RMB1,312.3 million due to weakening of the RMB against SGD.

H. Loss allowance on receivables

Loss allowance on receivables in 9M2022 was higher compared to 9M2021 mainly due to higher allowance made of about S\$7.1 million due to slower repayment by tenants affected by Covid-19.

I. Other (expense) / income

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

J. Finance costs

The decrease in finance costs in 9M2022 of S\$3.2 million was due to lower amortisation of S\$6.8 million offset by increase in interest expense on bank borrowings of S\$3.9 million. The amortisation relates to the loan extension fee for the offshore syndicated term loan of S\$242,000,000 and US\$134,286,000 pertaining to the Initial Portfolio and Shiqi Metro Mall of S\$424.4 million in 9M2021, with no such amortisation in 9M2022.

K. Income tax (expense) / income

Income tax credit was S\$5 million in 9M2022 compared to income tax expense of S\$13.4 million in 9M2021 were mainly due to the following:

- (a) The rental management companies of Xiaolan Metro Mall and Shiqi Metro Mall have incurred income tax expenses of S\$2.2 million for 9M2022 compared to S\$2.1 million for 9M2021. The income tax expense is calculated based on the statutory income tax rate of 25%.
- (b) Withholding tax of 5% is provided on the undistributed statutory earnings of the PRC subsidiaries and dividends paid to Singapore subsidiaries. There is no change in amount of S\$0.8 million for 9M2022 compared to 9M2021.
- (c) Write back of deferred tax liability to statement of profit or loss as explained in Note 1C on page 35.

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

2. Analysis of consolidated statement of cash flows

- (i) Net cash generated from operating activities for 9M2022 remained positive and stable at S\$32.2 million compared to S\$30.7 million in 9M2021.
- (ii) Net cash generated from investing activities for 9M2022 was S\$0.49 million compared to S\$0.23 million in 9M2021. The increase was due to lesser capital expenditure of S\$0.35 million spent on asset enhancement initiative ("AEI") for investment properties, offset by lower interest received of S\$0.16 million.
- (iii) Net cash used in financing activities for 9M2022 was S\$36.8 million. This was due to repayment of borrowings of S\$18.4 million offset by interest free loan from shareholders of S\$17.0 million, payment of finance costs of S\$20.9 million and payment of distributions to unitholders of S\$15.9 million offset by the withdrawal of cash pledged of \$1.8 million.

Net cash used in financing activities for 9M2021 was S\$30.5 million. This was due to payment of finance costs of S\$17.8 million, repayment of bank borrowings of S\$17.5 million, payment of distributions to unitholders of S\$15.2 million and payment of loan transaction costs of S\$9.3 million, offset by the proceeds from borrowings of S\$17.6 million and the withdrawal of cash pledged of S\$11.7 million.

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

The Trust has not disclosed any forecast for FY2022.

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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 has rebounded at a faster than anticipated pace in 3Q2022, reaching an expansion of 3.9% under the government's supportive policies. However, a prolonged property slump and subdued consumer demand will present challenges to the long-term revival¹. National urban disposable income increased 2.3% and national retail sales improved 0.7% as consumer sentiment has slowly restored in 3Q2022².

In 3Q2022, Zhongshan City's GDP and retail sales improved by 2.34% and 10.35% year-on-year respectively³. Over the same period, Zhuhai City's GDP increased 4.64% and retail sales increased 5.72% year-on-year⁴. In addition, Foshan City's GDP and retail sales enhanced 2.89% and 2.43% year-on-year respectively⁵.

The Federal Reserve raised its benchmark interest rate by 0.75 percentage points during its November meeting, the fourth straight three-quarter point increase to rein in runaway inflation, bringing the Fed rate to 3.75%-4.0%. This has raised borrowing costs to the highest since 2008⁶. As part of the Trustee-Manager's capital management strategy, the Trustee-Manager will continue to manage the risks associated with hike in interest rates.

The repeated COVID-19 outbreaks in major cities in China during the nine-month period ended 30 September 2022 influenced business, consumer demand, and disruption to economic and investment activities.

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

In addition, as stated in the Trust's announcement dated 14 October 2022, the offshore facilities pertaining to Doumen Metro Mall have been extended by approximately 3 months from 19 September 2022 to 31 December 2022. As at 30 September 2022, all the offshore facilities have been extended to 31 December 2022.

The Trustee-Manager has been working closely with the lenders for the refinancing exercise and exploring potential proposals including but not limited to the disposal of certain Trust assets, partnership with strategic investors, and alternative fund-raising activities. The Trustee-Manager has also commenced discussions with more than one leading Chinese enterprise for potential strategic investment with the objective of leveraging their resources to conclude the Trust's refinancing effort.

¹ <https://www.globaltimes.cn/page/202210/1277800.shtml>

² http://www.stats.gov.cn/english/PressRelease/202210/t20221024_1889500.html

³ Zhongshan Municipal Bureau of Statistics.

⁴ Zhuhai Municipal Bureau of Statistics.

⁵ Statistics Bureau of Foshan.

⁶ <https://www.bankrate.com/banking/federal-reserve/fed-interest-rate-decision-biggest-winners/>

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

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

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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

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

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

- 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. 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.

- 8. Confirmation pursuant to Rule 705(5) of the Listing Manual**

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

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

Dr. Kong Weipeng
Chairman and Non-Executive Director

Wang Qiu
Chief Executive Director

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

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

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

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

Lun Chee Leong
Company Secretary
14 November 2022