



DASIN RETAIL TRUST
大信商用信托

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

Managed by Dasin Retail Trust Management Pte. Ltd.

Unaudited Condensed Interim Consolidated Financial Statements

and Distribution Announcement

For the six months ended 30 June 2021

DASIN RETAIL TRUST
Unaudited Condensed Interim Consolidated Financial Statements
For the six months ended 30 June 2021

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INTRODUCTION

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

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

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

The Trust’s current portfolio comprises 7 retail malls which are strategically located in Foshan, Zhongshan and Zhuhai cities in Guangdong, the People’s Republic of China (“PRC”) with an aggregate gross floor area (“GFA”) and net lettable area (“NLA”) of approximately 794,017 sq m and 395,938 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, Dongsheng Town, Zhongshan, Guangdong Province, PRC	
Term of lease (years)	24	28	31	30	40	40	40	
Lease expiry	27 July 2041 ⁽¹⁾	01 April 2043	21 February 2046	28 July 2045	12 October 2052	06 March 2057	23 September 2038 ⁽²⁾	
GFA (sq m)	119,682 (including retail and carpark spaces of 30,170)	108,690 (including carpark spaces of 20,455)	180,338 (including retail, carpark and ancillary facilities spaces of 99,624)	25,857 (including ancillary facilities spaces of 584)	168,269 (including carpark, ancillary facilities and retail spaces of 88,306)	177,276 (including carpark, ancillary facilities and retail spaces of 82,020)	13,905	794,017
NLA (sq m)	85,151	72,214	71,247	12,569	78,065	67,700	8,992	395,938
Carpark lots	545	626	1,991	-	1,200	1,411	-	5,773
Commencement of operations	May 2004	September 2005	December 2014	May 2015	October 2018	November 2018	March 2018	

(1) The expiry date of the land use rights of Shiqi Metro Mall is 27 July 2041 (for commercial use) and 27 July 2071 (for residential use).

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

Occupancy rate of the seven malls was 95.7% as at 30 June 2021 (31 December 2020: 96.5%).

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

As at 30 June 2021, the Trust has 15 Right of First Refusal (“ROFR”) properties from the Sponsor, Zhongshan Dasin Real Estate Co., Ltd.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A. Condensed interim statements of financial position

	Note	Group		Trust	
		30 Jun 2021 S\$'000	31 Dec 2020 S\$'000	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000
Non-current assets					
Investment properties	4	2,414,537	2,345,729	-	-
Plant and equipment		264	365	-	-
Intangible assets		448	387	-	-
Subsidiaries	5	-	-	908,979	901,568
Other receivables		467	-	-	-
		2,415,716	2,346,481	908,979	901,568
Current assets					
Trade and other receivables		23,694	20,304	402	515
Cash and bank balances	6	123,980	142,504	21,074	18,900
		147,674	162,808	21,476	19,415
Total assets		2,563,390	2,509,289	930,455	920,983
Non-current liabilities					
Loans and borrowings	7	431,754	422,744	235,759	233,066
Derivative financial liabilities	8	121	890	121	890
Deferred tax liabilities	9	423,884	406,612	-	-
Other payables		1,626	7,190	29,778	8,098
		857,385	837,436	265,658	242,054
Current liabilities					
Loans and borrowings	7	501,675	516,730	422,284	437,123
Trade and other payables		33,551	31,122	84,749	63,940
Security deposits		20,427	19,938	-	-
Current tax liabilities		1,544	1,712	-	-
		557,197	569,502	507,033	501,063
Total liabilities		1,414,582	1,406,938	772,691	743,117
Net assets		1,148,808	1,102,351	157,764	177,866
Represented by:					
Unitholders' funds	10	1,148,808	1,102,351	157,764	177,866
Number of units in issue and to be issued ('000)					
	11	784,694	779,716	784,694	779,716
Net asset value per unit attributable to Unitholders (S\$)					
	12	1.46	1.41	0.20	0.23

The net assets of the Trust's foreign operations were translated using the closing rate RMB/SGD as at 30 Jun 2021 ("1H FY2021") of 4.8008 (31 Dec 2020 ("FY2020"): 4.9396).

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B. Condensed interim consolidated statement of profit or loss

	Note	Group		
		1H FY2021 S\$'000	1H FY2020 S\$'000	% change
Revenue	13	51,336	37,077	38.5
Property related taxes		(4,034)	(1,622)	NM
Property and commercial management fees		(1,018)	(736)	38.3
Property operating expenses		(8,054)	(4,449)	81.0
Total property operating expenses		(13,106)	(6,807)	92.5
Net property income	13	38,230	30,270	26.3
Trustee-Manager's fees	14	(3,405)	(2,699)	26.2
Other trust expenses		(937)	(1,075)	(12.8)
Exchange loss	15	(5,851)	(9,145)	(36.0)
Other income/(expense)	16	769	(693)	NM
Finance income	17	548	658	(16.7)
Finance costs	18	(17,520)	(16,583)	5.7
Net income		11,834	733	NM
Net change in fair value of investment properties	19	1,032	(96,311)	NM
Profit/(Loss) before income tax		12,866	(95,578)	NM
Income tax expense	20	(9,944)	15,352	NM
Profit/(Loss) for the period	21	2,922	(80,226)	NM
Attributable to:				
Unitholders of the Trust		2,922	(80,226)	NM
Earnings per unit (cents)	22			
- Basic		0.37	(14.32)	
- Diluted		0.37	(12.35)	

NM – Not meaningful

The actual results of the Trust's foreign operations were translated using the average RMB/SGD rate of 4.8433 for 1H FY2021 (for the six months period ended 30 June 2020 ("1H FY2020"): 5.0343).

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C. Condensed interim consolidated statement of comprehensive income

	Group		
	1H FY2021 S\$'000	1H FY2020 S\$'000	% change
Profit/(Loss) for the period	2,922	(80,226)	NM
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	51,642	36,328	42.2
Total comprehensive income for the period	54,564	(43,898)	

Foreign currency translation gain for foreign operations, net of tax, for 1H FY2021 was attributed to the strengthening of the RMB against SGD 1H FY2021: 4.8433 vs 1H FY2020: 5.0343.

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D. Condensed interim statements of changes in unitholders' funds

	Group					Total S\$'000
	Units in issue	Statutory surplus reserve	Capital reserve	Foreign currency translation reserve	Accum- ulated profits/(lo sses)	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
The Group (1H FY2021)						
1 Jan 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
Total other comprehensive income for the period	-	-	-	51,642	-	51,642
Total comprehensive income for the period	-	-	-	51,642	2,922	54,564
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)
30 Jun 2021	284,439	554	910,042	23,427	(69,654)	1,148,808
The Group (1H FY2020)						
1 Jan 2020	194,137	462	782,785	(105,584)	13,928	885,728
Loss for the period	-	-	-	-	(80,226)	(80,226)
Other comprehensive income:						
Foreign currency translation differences - foreign operations, net of tax	-	-	-	36,328	-	36,328
Total other comprehensive income for the period	-	-	-	36,328	-	36,328
Total comprehensive income for the period	-	-	-	36,328	(80,226)	(43,898)
Transactions with Unitholders:						
Contributions by and distributions to Unitholders						
Distribution to Unitholders						
- Tax-exempt income	-	-	-	-	(3,772)	(3,772)
- Capital	(4,495)	-	-	-	-	(4,495)
Units issued and to be issued as payment for Trustee-Manager's fees	2,699	-	-	-	-	2,699
Total transactions with Unitholders	(1,796)	-	-	-	(3,772)	(5,568)
30 Jun 2020	192,341	462	782,785	(69,256)	(70,070)	836,262

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

	Trust		
	Units in issue S\$'000	Accum- ulated losses S\$'000	Total S\$'000
The Trust (1H FY2021)			
1 Jan 2021	282,032	(104,166)	177,866
Loss for the period	-	(11,995)	(11,995)
Total comprehensive income for the period	-	(11,995)	(11,995)
Transactions with Unitholders:			
Contributions by and distributions to Unitholders			
Distribution to Unitholders			
- Tax-exempt income	-	(10,514)	(10,514)
- Capital	(998)	-	(998)
Units to be issued as payment for Trustee-Manager's fees	3,405	-	3,405
Total transactions with Unitholders	2,407	(10,514)	(8,107)
30 Jun 2021	284,439	(126,675)	157,764
The Trust (1H FY2020)			
1 Jan 2020	194,137	(81,028)	113,109
Loss for the period	-	(19,235)	(19,235)
Total comprehensive income for the period	-	(19,235)	(19,235)
Transactions with Unitholders:			
Contributions by and distributions to Unitholders			
Distribution to Unitholders			
- Tax-exempt income	-	(3,772)	(3,772)
- Capital	(4,495)	-	(4,495)
Units to be issued as payment for Trustee-Manager's fees	2,699	-	2,699
Total transactions with Unitholders	(1,796)	(3,772)	(5,568)
30 Jun 2020	192,341	(104,035)	88,306

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E. Condensed interim consolidated statement of cash flows

	Group	
	1H FY2021 S\$'000	1H FY2020 S\$'000
Operating activities		
Profit/(Loss) before income tax	12,866	(95,578)
Adjustments for:		
Amortisation of intangible assets	31	-
Depreciation of plant and equipment	71	77
Finance costs	17,520	16,583
Finance income	(548)	(658)
Impairment loss on receivables	2,667	1,095
Net change in fair value of derivative financial instruments	(769)	693
Net change in fair value of investment properties	(1,032)	96,311
Recognition of rental income on a straight-line basis over the lease term	730	(6,268)
Trustee-Manager's fees paid/payable in units	3,405	2,699
Operating cash flows before working capital changes	34,941	14,954
Changes in working capital:		
Trade and other receivables	(5,584)	(8,405)
Trade and other payables	(2,969)	5,511
Cash generated from operations	26,388	12,060
Income tax paid	(4,691)	(2,906)
Net cash generated from operating activities	(i) 21,697	9,154
Investing activities		
Capital expenditure on investment properties	(684)	(5,305)
Interest received	642	654
Purchase of intangible assets	(42)	(11)
Purchase of plant and equipment	-	(17)
Government grants	-	1,073
Net cash used in investing activities	(ii) (84)	(3,606)
Financing activities		
Distributions paid	(11,512)	(8,267)
Withdrawal/(Placement) in cash pledged	20,090	(256)
Finance costs paid	(12,975)	(12,235)
Payment of lease liabilities	(51)	(53)
Payment of loan transaction costs	(2,571)	(8,565)
Proceeds from borrowings	-	10,500
Repayment of borrowings	(16,489)	(8,663)
Net cash used in financing activities	(iii) (23,508)	(27,539)
Net decrease in cash and cash equivalents	(1,895)	(21,991)
Cash and cash equivalents at the beginning of the period	98,790	83,211
Effect of exchange rate changes on cash and cash equivalents	2,721	5,921
Cash and cash equivalents at the end of the period	99,616	67,141

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

For the purpose of the Condensed Interim Consolidated Statement of Cash Flows, cash and cash equivalents of the Group as at 30 June 2021 and 30 June 2020 are as follows:

	Group	
	1H FY2021 S\$'000	1H FY2020 S\$'000
Cash and bank balances in Statement of Financial Position	123,980	100,358
Less: Restricted cash	(24,364)	(33,217)
Cash and cash equivalents in Statement of Cash Flows	99,616	67,141

Significant non-cash transactions

The Trustee-Manager's trustee fee and base management fee for the period ended 30 June 2021 was S\$3,405,000 (1H FY2020: S\$2,699,000). S\$1,680,000 (1H FY2020: S\$1,359,000) was paid during the period by the issue of 2,321,000 (1H FY2020: 1,698,000) units. The remaining S\$1,725,000 (1H FY2020: S\$1,340,000) will be issued subsequent to the period end by the issue of 2,658,000 (1H FY2020: 1,616,000) units.

Notes to condensed interim consolidated statement of cash flows:

- (i) Net cash generated from operating activities in 1H FY2021 was S\$21.7 million compared to that of S\$9.1 million in 1H FY2020 due to higher profits in 1H FY2021.
- (ii) Net cash used in investing activities in 1H FY2021 was S\$0.08 million. This was due to capital expenditure of S\$0.7 million spent on asset enhancement initiative ("AEI") for investment properties, offset by receipt of bank interest income of S\$0.6 million.

Net cash used in investing activities in 1H FY2020 was S\$3.6 million. This was due to capital expenditure of S\$5.3 million spent on asset enhancement initiative ("AEI") for investment properties, offset by a government grant of S\$1.1 million received for this AEI.

- (iii) Net cash used in financing activities in 1H FY2021 was S\$23.5 million. This was due to repayment of bank borrowings of S\$16.5 million, payment of finance costs of S\$13 million and payment of distributions to unitholders of S\$11.5 million, offset by the withdrawal of cash pledged of S\$20.1 million.

Net cash used in financing activities in 1H FY2020 was S\$27.5 million. This was due to repayment of borrowings of S\$8.7 million, payment of finance costs of S\$12.2 million, payment of upfront debt-related transaction costs of S\$8.6 million on loan extension and payment of distribution to unitholders of S\$8.3 million, offset by the net proceeds from borrowings of S\$10.5 million.

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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 ("MAS") on 13 January 2017, and was formally admitted to the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 January 2017 (the "Listing Date"). The Trust is principally regulated by the Securities and Futures Act, Chapter 289 of Singapore and the Business Trusts Act, Chapter 31A of Singapore.

The condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Trust and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The condensed consolidated statement of financial position of Dasin Retail Trust and its subsidiaries as at 30 June 2021 and the related condensed consolidated statement profit or loss and distribution statement, condensed consolidated statements of comprehensive income, condensed consolidated statement of changes in unitholders' funds and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Basis of preparation

2.1 Statement of compliance

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting*, and should be read in conjunction with the Trust's last annual consolidated financial statements as at and for the year ended 31 December 2020. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial positions and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with International Financial Reporting Standards, except for the adoption of new and amended standards as set out in Note 2.2.

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.

2.2 Going concern basis of preparation of financial statements

As at 30 June 2021, the Group and the Trust were in a negative working capital position with net current liabilities of S\$409,523,000 and S\$485,557,000 respectively. These were mainly due to classification of (i) S\$242,000,000 and USD134,286,000 (S\$180,655,000) offshore syndicated term loan equivalent to S\$422,655,000 in aggregate of the Group and the Trust ("Offshore Facilities"), and (ii) RMB375,152,000 (S\$78,143,000) onshore syndicated term loan of the Group ("Onshore Facilities") relating to the Initial Portfolio and Shiqi Metro Mall as current liabilities, which are due and payable on 19 December 2021.

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

Notwithstanding the above, the Trustee-Manager believes that the Group and the Trust are able to operate as a going concern for the foreseeable future, as the Group has sufficient cash and cash equivalents and expects that adequate cashflow will be generated from its operations to meet working capital needs, and that the Group will receive continued financing supports from its lenders. The Trustee-Manager is seeking to secure the refinancing of the above loans and borrowings and is confident that the approval for the refinancing of the above loans will be obtained before they are due for payment.

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 2020.

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

Information about critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements includes deferred taxation on investment properties under Note 9 and going concern assessment under Note 2.2.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in Note 26.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

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

4. Investment properties

	Group	
	1H FY2021 S\$'000	FY2020 S\$'000
At 1 January	2,345,729	1,831,173
Acquisition through business combinations	-	508,594
Capital expenditure	684	4,932
	2,346,413	2,344,699
Effects of recognising accounting income on a straight-line basis over the lease term	(730)	5,598
Net changes in fair value recognised in profit or loss	1,032	(104,722)
Translation differences on consolidation	67,822	100,154
At 30 Jun 2021 and 31 Dec 2020	2,414,537	2,345,729

Investment properties	Group			
	1H FY2021 S\$'000	1H FY2021 RMB'000	FY2020 S\$'000	FY2020 RMB'000
Shiqi Metro Mall	594,844	2,855,750	579,840	2,864,200
Xiaolan Metro Mall	442,631	2,125,000	435,052	2,149,000
Ocean Metro Mall	358,271	1,720,000	345,268	1,705,500
Dasin E-Colour	58,219	279,500	57,089	282,000
Doumen Metro Mall	423,676	2,034,000	407,925	2,015,000
Shunde Metro Mall	521,597	2,504,100	505,665	2,497,800
Tanbei Metro Mall	15,299	73,450	14,890	73,550
	2,414,537	11,591,800	2,345,729	11,587,050

Increase in investment properties was mainly due to the increase in valuation of the investment properties for Ocean Metro Mall, Doumen Metro Mall and Shunde Metro Mall as well as from the net movement in foreign currencies due to strengthening of RMB against SGD as the investment properties are RMB-denominated assets. The increase is partially offset by decrease in valuation of the investment properties for Shiqi Metro Mall, Xiaolan Metro Mall and Dasin E-Colour as explained in Note 19.

Valuation

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

The carrying value of the investment properties as at 31 December 2020 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 sees signs of gradual recovery and it is anticipated that disruption to business activities will steadily reduce, due to the unknown future impact that COVID-19 might have 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)

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 market value being the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeable, prudently and without compulsion.

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

Level 3 fair values

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

Valuation methods	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows approach	Discount rates from 7.00% to 7.50% per annum (FY2020: from 7.00% to 7.50%) Terminal rate of 4.50% (FY2020: 4.50%)	The fair value increases as discount rates and terminal rates decreases.
Income capitalization approach	Term yield rates from 3.00% to 4.00% (FY2020: 3.00% to 4.00%) Reversionary rate of 4.50% (FY2020: 4.50%)	The fair value increases as term yield and reversionary rate decreases.

Security

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

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

5. Subsidiaries (Trust)

	Trust	
	30 Jun 2021	31 Dec 2020
	S\$'000	S\$'000
Unquoted equity, at cost	126,400	126,400
Loans to subsidiaries	782,579	775,168
	908,979	901,568

The loans to subsidiaries of the Trust consist of a S\$456.0 million, US\$124.1 million (S\$167.0 million) and RMB765.1 million (S\$159.3 million) equivalent to S\$782.6 million in aggregate, which are unsecured, interest-free and are not expected to be repaid within the next twelve months. These loans were provided to subsidiaries to fund the acquisition of the Initial Portfolio, Shiqi Metro Mall, Doumen Metro Mall, Shunde Metro Mall and Tanbei Metro Mall.

The Trust recognised a net unrealised foreign exchange gain of S\$7.4 million in 1H FY2021, relating to the USD-denominated and RMB-denominated loans extended to the subsidiaries as at 30 June 2021.

6. Cash and bank balances

Cash and bank balances of the Group and the Trust included restricted cash, which were placed as security deposit to secure bank borrowings, as at 30 June 2021 of approximately S\$24 million (FY2020: S\$43.7 million) and S\$12 million (FY2020: S\$11.9 million) respectively.

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

7. Loans and borrowings

	Group		Trust	
	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000
Secured borrowings:				
- Amount repayable within one year	502,835	517,606	422,655	437,483
- Amount repayable after one year	437,397	431,182	238,550	236,933
	940,232	948,788	661,205	674,416
Unsecured borrowings:				
- Amount repayable within one year	-	-	-	-
- Amount repayable after one year	-	-	-	-
	-	-	-	-
Total gross borrowings	940,232	948,788	661,205	674,416
Less capitalised transaction costs	(6,803)	(9,314)	(3,161)	(4,227)
Total borrowings net of transaction costs	933,429	939,474	658,043	670,189
Current	501,675	516,730	422,284	437,123
Non-current	431,754	422,744	235,759	233,066
Total	933,429	939,474	658,043	670,189

As at 30 June 2021, the Group has the loan facilities comprising:

- Secured syndicated term loan in aggregate of S\$500.8 million (S\$242.0 million, US\$134.3 million (S\$180.7 million) and RMB375.2 million (S\$78.1 million)) relating to acquisition of the Initial Portfolio and Shiqi Metro Mall, are due and payable on 19 December 2021;
- Secured syndicated term loan in aggregate of S\$207.9 million (S\$54.9 million, HKD294 million (S\$50.9 million) and RMB490 million (S\$102.1 million)) relating to acquisition of Doumen Metro Mall, are due and payable on 19 September 2022; and
- Secured syndicated term loan in aggregate of S\$231.5 million (S\$87 million, US\$34 million (S\$45.7 million) and RMB474.4 million (S\$98.8 million)) relating to acquisition of Shunde Metro Mall and Tanbei Metro Mall, are due and payable on 15 July 2022.

Details of any collaterals

The above loans and borrowings are secured by legal mortgage over each of the Initial Portfolio and Shiqi Metro Mall, Doumen Metro Mall and Shunde Metro Mall and Tanbei Metro Mall, and a pledge over the sales proceeds, rental income and receivables derived from these properties.

8. Financial derivatives

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

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

9. Deferred tax liabilities

Deferred tax liabilities comprise the provision of 5% withholding tax for undistributed statutory earnings of the PRC subsidiaries and recognition of the temporary differences between the carrying amounts used for financial reporting and taxation purposes relating to the carrying value of the investment properties.

Deferred tax liabilities increased by S\$17.3 million or 4% as at 30 June 2021 mainly attributable to deferred tax liabilities of S\$5.5 million arising from the net fair value changes of the investment properties and exchange gain of S\$11.8 million from the strengthening of RMB against SGD.

10. Unitholders' funds

Note	Group		Trust	
	1H FY2021 S\$'000	FY2020 S\$'000	1H FY2021 S\$'000	FY2020 S\$'000
Units in issue	284,439	282,032	284,439	282,032
Statutory surplus reserve (i)	554	554	-	-
Capital reserve (ii)	910,042	910,042	-	-
Foreign currency translation reserve (iii)	23,427	(28,215)	-	-
Accumulated losses	(69,654)	(62,062)	(126,675)	(104,166)
	1,148,808	1,102,351	157,764	177,866

(i) Statutory surplus reserve

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

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

(ii) Capital reserve

Capital reserve represents the excess of the fair value of the net assets acquired and liabilities assumed of the PRC property and rental management companies of the investment properties acquired from a transaction with controlling unitholder over the consideration transferred.

(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.

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

11. Units in issue

	Group and Trust	
	1H FY2021 '000	FY2020 '000
Units in issue:		
Units in issue as at beginning of period	777,480	647,034
New Units issued in relation to:		
- Trustee-Manager's fee paid in Units	4,556	7,014
- Trustee-Manager's acquisition fee paid in Units	-	2,920
- Private Placement	-	120,512
	782,036	777,480
Units to be issued:		
- Trustee-Manager's fees payable in units	2,658	2,236
	2,658	2,236
Total units issued and to be issued at the end of the period	784,694	779,716

The Group and the Trust had issued and will issue a total of 4,978,764 (1H FY2020: 3,314,287) units to the Trustee-Manager, amounting to approximately S\$3,405,000 (1H FY2020: S\$2,699,000) at unit prices ranging from S\$0.6489 to S\$0.7239 (1H FY2020: S\$0.7998 to S\$0.8294) as satisfaction of the base management fee and trustee fee payable in units in respect of the six-month period ended 30 June 2021.

The Trust does not have any units as subsidiary holdings as at 30 Jun 2021 and 31 Dec 2020.

The Group and the Trust do not hold any treasury units as at 30 Jun 2021 and 31 Dec 2020. The total number of issued units excluding treasury units as at 30 Jun 2021 and 31 Dec 2020 were 782,036,850 and 777,480,433 respectively.

12. Net Asset Value per unit

	Group		Trust	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
Number of units issued as at end of the period/year ('000)	782,036	777,480	782,036	777,480
Number of units to be issued as at end of the period/year ('000)	2,658	2,236	2,658	2,236
Total number of issued and issuable units at the end of the period/year ('000)	784,694	779,716	784,694	779,716
Net asset value ("NAV") per unit (S\$):				
- Number of units issued units as at end of the period/year	1.47	1.42	0.20	0.23
- Number of units issued and to be issued at end of the period/year	1.46	1.41	0.20	0.23

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

13. Revenue and net property income

Revenue

	1H FY2021 RMB'000	1H FY2020 RMB'000	% change	1H FY2021 S\$'000	1H FY2020 S\$'000	% change
Revenue:						
Shiqi Metro Mall	55,305	51,451	7	11,419	10,220	12
Xiaolan Metro Mall	57,824	58,533	(1)	11,940	11,627	3
Ocean Metro Mall	33,690	27,418	23	6,956	5,446	28
Dasin E-Colour	7,163	6,123	17	1,479	1,216	22
Doumen Metro Mall	44,045	43,131	2	9,094	8,568	6
Shunde Metro Mall	47,120	-	NM	9,729	-	NM
Tanbei Metro Mall	3,482	-	NM	719	-	NM
	248,629	186,656	33	51,336	37,077	38

	1H FY2021			1H FY2020		
	After adjustment for SLA S\$'000	Straight-lining basis over the lease term (SLA) S\$'000	Before adjustment for SLA S\$'000	After adjustment for SLA S\$'000	Straight-lining basis over the lease term (SLA) S\$'000	Before adjustment for SLA S\$'000
Revenue:						
Shiqi Metro Mall	11,419	(209)	11,628	10,220	1,129	9,091
Xiaolan Metro Mall	11,940	(378)	12,318	11,627	2,139	9,488
Ocean Metro Mall	6,956	(221)	7,177	5,446	445	5,001
Dasin E-Colour	1,479	21	1,458	1,216	200	1,016
Doumen Metro Mall	9,094	(306)	9,400	8,568	2,355	6,213
Shunde Metro Mall	9,729	338	9,391	-	-	-
Tanbei Metro Mall	719	25	694	-	-	-
	51,336	(730)	52,066	37,077	6,268	30,809

Net property income:

	1H FY2021 RMB'000	1H FY2020 RMB'000	% change	1H FY2021 S\$'000	1H FY2020 S\$'000	% change
Net property income:						
Shiqi Metro Mall	43,057	44,218	(3)	8,890	8,783	1
Xiaolan Metro Mall	46,539	51,542	(10)	9,609	10,238	(6)
Ocean Metro Mall	20,700	18,384	13	4,274	3,652	17
Dasin E-Colour	3,468	4,196	(17)	716	834	(14)
Doumen Metro Mall	31,806	34,043	(7)	6,567	6,763	(3)
Shunde Metro Mall	37,119	-	NM	7,664	-	NM
Tanbei Metro Mall	2,470	-	NM	510	-	NM
	185,159	152,383	22	38,230	30,270	26

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

Revenue

Revenue for 1H FY2021 was higher than 1H FY2020 by approximately S\$14.3 million or 38.5% mainly due to contribution from Shunde Metro Mall and Tanbei Metro Mall which were acquired on 8 July 2020, higher revenue due to recovery of impact from COVID-19 and, lower rental rebates granted to tenants in 1H FY2021.

Revenue before adjustment for straight-lining basis over the lease term (non-cash) for Shiqi Metro Mall, Xiaolan Metro Mall, Ocean Metro Mall, Dasin E-Colour and Doumen Metro Mall for 1H FY2021 was higher by approximately S\$11.2 million or 36.3%, compared to those of 1H FY2020, owing to recovery of the impact from COVID-19 and, lesser amount of rental rebates granted to tenants in 1H FY2021.

Net property income

The net property income margin ("NPI margin") of the Group was approximately 75% for 1H FY2021 compared to approximately 82% for 1H FY2020. Lower NPI margin was mainly due to higher operating expenses derived from higher property tax expense and higher allowance made for impairment loss on receivables in accordance with IFRS 9 *Financial Instruments*. Higher property tax expense in 1H FY2021 as there were property tax rebates granted by the local government in response to COVID-19 in 1H FY2020.

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

14. Trustee-Manager's fees

The Trustee-Manager's fees comprise the base fee of management fee and trustee fee. The base fee of management fee was calculated based on 0.25% per annum of the value of the trust property of the Group ("Trust Property") and the trustee fee was 0.02% per annum of the value of the Trust Property, excluding out of pocket expenses and GST. The Trustee-Manager has elected to receive 100% of the base fee of management fee and the trustee fee in the form of unit for FY2021.

Trustee-Manager's fees for 1H FY2021 were higher than 1H FY2020 due to higher value of the Trust Property of the Group following the completion of the acquisition of Shunde Metro Mall and Tanbei Metro Mall on 8 July 2020.

15. Exchange loss

Exchange loss for 1H FY2021 of S\$5.9 million was mainly due to an unrealised exchange loss from weakening of SGD against USD and HKD on the USD and HKD denominated bank loans of US\$168.3 million and HKD 294.0 million respectively. The exchange rates were USD/SGD 1.3453 in 1H FY2021 compared to 1.3217 in FY2020, and HKD/SGD 0.1732 in 1H FY2021 compared to 0.1705 in FY2020.

Exchange loss for 1H FY2020 of S\$9.1 million was mainly due to an unrealised exchange loss from the weakening of SGD against USD and HKD on the USD and HKD denominated bank loans of US\$134.3 million and HKD 294.0 million respectively. The exchange rates were USD/SGD 1.3945 and HKD/SGD of 0.1799 in 1H FY2020.

16. Other income/(expense)

Net change in fair value of derivative
financial instruments

1H FY2021 S\$'000	1H FY2020 S\$'000
769	(693)
769	(693)

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

17. Finance income

Finance income for 1H FY2021 was lower than 1H FY2020 by approximately S\$0.1 million or 17% mainly due to the lower finance income from Shiqi Metro Mall, Xiaolan Metro Mall and Ocean Metro Mall, partially offsetted by finance income of Shunde Metro Mall and Tanbei Metro Mall which were acquired on 8 July 2020.

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

18. Finance costs

	1H FY2021	1H FY2020
	S\$'000	S\$'000
Amortisation of capitalised transaction costs	5,222	4,758
Interest expense	331	-
Interest expense on loans and borrowings	11,931	11,825
Interest expense on Right-Of-Use (ROU) assets	35	-
	17,520	16,583

Higher interest expenses in 1H FY2021 compared to 1H FY2020, was due to the drawdown of the onshore syndicated term loan of RMB478.0 million (S\$99 million) in 1H FY2021, and the offshore syndicated term loan of approximately USD\$34.0 million (S\$45.7 million) and S\$87.0 million, to finance the acquisition of Shunde Metro Mall and Tanbei Metro Mall which were acquired on 8 Jul 2020.

19. Net change in fair value of investment properties

	1H FY2021	1H FY2020
	S\$'000	S\$'000
Increase/(Decrease) in valuation of the investment properties	303	(90,043)
Recognition of rental income on a straight-line basis	730	(6,268)
	1,032	(96,311)

Increase in fair value of the investment properties in 1H FY2021 compared to 1H FY2020 was due to higher expected rental growth rate due to recovery from the COVID-19 pandemic, adjustment for capital expenditure and lease incentive and, the strengthening of RMB against SGD as the investment properties are RMB-denominated assets.

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

20. Income tax expense

	1H FY2021	1H FY2020
	S\$'000	S\$'000
Current income tax expense - PRC	3,557	2,763
Withholding tax expense	533	396
	4,090	3,159
Deferred tax expense/(income) relating to origination and reversal of temporary differences	5,854	(18,511)
	9,944	(15,352)

As the Group recorded profit in 1H FY2021, the rental management companies of Shiqi Metro Mall and Xiaolan Metro Mall have incurred an increase in income tax expenses on their taxable profits of S\$5.8 million and S\$6.7 million for 1H FY2021. Doumen Metro Mall has also incurred income tax expenses on its taxable profits of S\$4.3 million in 1H FY2021 (1H FY2020: nil). The income tax expense is calculated based on the statutory income tax rate of 25%.

Withholding tax of 5% is provided on the undistributed statutory earnings of the PRC subsidiaries. The increase of S\$0.1 million came from Shiqi Metro Mall and Xiaolan Metro Mall.

Deferred tax expense/(income) arise mainly from recognition of the temporary differences between the carrying amounts used for financial reporting and taxation purposes relating to the investment properties.

Deferred tax expense of S\$5.9 million in 1H FY2021 arose from the recognition of temporary differences due to the gain in fair values of the investment properties as at 30 June 2021.

Deferred tax income of S\$18.5 million in 1H FY2020 arose from the reversal of temporary differences due to the loss in fair values of the investment properties as at 30 June 2020.

21. Profit/(loss) for the period

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

	1H FY2021	1H FY2020
	S\$'000	S\$'000
Audit fees	232	218
Facility agent and security agent fees	199	171
Professional fees	134	204
Unclaimable GST expenses	282	303
Investor relations	57	88

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

22. Earnings per Unit and Distribution per Unit

	Group	
	1H FY2021	1H FY2020
<u>Earnings per Unit ("EPU")</u>		
Weighted average number of units in issue ('000)	779,275	560,153
Basic EPU	0.37	(14.32)
<u>Diluted EPU</u>		
Weighted average number of units outstanding ('000)	781,933	649,623
Diluted EPU	0.37	(12.35)
<u>Distribution per unit ("DPU")</u>		
Number of units issued and to be issued at end of period ('000)	784,694	651,942
Number of units not entitled to distribution under Distribution Waiver ('000)	(82,441)	(192,362)
Number of units entitled to distribution under Distribution Waiver ('000)	702,253	459,580
<u>Based on the number of units in issue and to be issued at end of period ('000)</u>		
- With Distribution Waiver (cents)	2.98	1.92
- Without Distribution Waiver (cents)	2.67	1.35
<u>Annualised distribution yield (%)</u>		
- Based on Offering price of S\$0.80:		
- With Distribution Waiver	7.51	4.83
- Without Distribution Waiver	6.72	3.40
- Based on closing price:		
- With Distribution Waiver	10.19	4.65
- Without Distribution Waiver	9.12	3.28

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

Diluted EPU is calculated based on profit/(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.

DPU is calculated based on the number of units as at the end of each period.

Annualised distribution yield for 1H FY2021 is computed based on closing price of S\$0.590 as at 30 June 2021, and closing price of S\$0.830 as at 30 June 2020 for 1H FY2020.

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

23. Distribution

	Group	
	1H FY2021	1H FY2020
	S\$'000	S\$'000
Profit/(Loss) for the period	2,922	(80,226)
Distribution adjustments (Note A)	18,005	89,054
Amount available for distribution	20,927	8,828
Note A Distribution adjustments		
Amortisation of intangible assets	31	-
Amortisation of upfront debt-related transaction costs	5,222	4,759
Deferred tax expense/(income)	5,854	(18,511)
Depreciation of plant and equipment	71	77
Impairment loss on receivables	2,667	1,095
Loan repayment	(3,278)	(894)
Net change in fair value of derivative financial instruments	(769)	692
Net change in fair value of investment properties	(1,032)	96,311
Recognition of rental income on a straight line basis over the lease term	730	(6,268)
Trustee-Manager's fees paid/payable in units	3,405	2,699
Unrealised exchange loss	5,815	9,094
Other adjustments	(711)	-
	18,005	89,054

Note A: Included in other adjustments for 1H FY2021 is an amount of S\$0.8 million (1H FY2020: S\$nil) which is set aside for future repayment of interest and related costs of loan facilities.

Distribution paid to Unitholders

	Group	
	1H FY2021	1H FY2020
	S\$'000	S\$'000
Tax-exempt income distribution: 1.79 cents per unit for the period from 7 July 2020 to 31 December 2020 (1H FY2020: 0.94 cents per unit for the period from 12 September 2019 to 31 December 2019)	10,514	3,772
Capital distribution: 0.17 cents per unit for the period from 7 July 2020 to 31 December 2020 (1H FY2020: 1.12 cents per unit for the period from 12 September 2019 to 31 December 2019)	998	4,495
	11,512	8,267

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

The Trustee-Manager will distribute 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.

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

24. Segment information

The Group has 7 reportable segments, as described below, which are the Group's investment properties. All of the Group's reportable segments are investment properties located in PRC used primarily for retail purposes. The investment properties are managed separately because they require different operating and marketing strategies.

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

The reporting segments are as follows:

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

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

Reportable segments

	Group															
	Shiqi		Xiaolan		Ocean		Dasin		Doumen		Shunde		Tanbei		Total	
	Metro Mall		Metro Mall		Metro Mall		E-Colour		Metro Mall		Metro Mall ⁽¹⁾		Metro Mall ⁽¹⁾			
	1H FY21	1H FY20	1H FY21	1H FY20	1H FY21	1H FY20	1H FY21	1H FY20	1H FY21	1H FY20	1H FY21	1H FY20	1H FY21	1H FY20	1H FY21	1H FY20
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenues:																
- Gross rental income	10,257	9,366	10,998	10,788	5,881	4,694	1,309	1,106	7,862	7,684	8,592	-	664	-	45,563	33,638
- Others	1,162	854	942	839	1,075	752	170	110	1,232	884	1,137	-	55	-	5,773	3,439
Gross revenue	11,419	10,220	11,940	11,627	6,956	5,446	1,479	1,216	9,094	8,568	9,729	-	719	-	51,336	37,077
Segment net property income	8,890	8,783	9,609	10,238	4,274	3,652	716	834	6,567	6,763	7,664	-	510	-	38,230	30,270
Finance income	390	312	200	257	328	256	32	44	43	50	52	-	12	-	1,057	919
Finance costs	4	1	-	-	2,258	2,121	-	-	2,505	2,626	2,792	-	141	-	7,700	4,748
Segment assets	769,254	592,890	493,012	461,540	397,639	372,099	66,000	64,323	450,279	421,695	544,826	-	23,199	-	2,744,209	1,912,547
Segment liabilities	381,624	230,668	208,735	198,175	268,677	253,537	50,589	48,258	270,676	262,568	331,723	-	27,365	-	1,539,389	993,206
Other segment items:																
Depreciation and amortisation	38	28	10	8	8	30	5	4	11	7	23	-	7	-	102	77
Net change in fair value of investment properties	1,574	31,194	4,818	26,757	(2,853)	18,435	539	3,676	(4,192)	16,249	(963)	-	45	-	(1,032)	96,311
Capital expenditure	52	1,938	250	2,104	374	214	11	4	38	-	-	-	1	-	726	4,260

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

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

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

	Group	
	1H FY2021 S\$'000	1H FY2020 S\$'000
Revenue		
Total revenue for reporting segments	51,336	37,077
Total profit/(loss) before income tax		
Total profit/(loss) for reportable segments before income tax	32,619	(69,870)
Unallocated amounts:		
- Other corporate expenses	(19,221)	(25,395)
- Elimination of intercompany transactions	(532)	(313)
Profit/(Loss) before income tax	12,866	(95,578)
Assets		
Total assets for reportable segments	2,744,209	1,912,547
Other unallocated amounts	21,201	25,356
Elimination of intercompany balances	(202,020)	(31,239)
Consolidated assets	2,563,390	1,906,664
Liabilities		
Total liabilities for reportable segments	1,539,389	993,206
Other unallocated amounts	664,664	549,265
Elimination of intercompany balances	(789,471)	(472,069)
Consolidated liabilities	1,414,582	1,070,402

	Reportable segment totals S\$'000	Unallocated amounts S\$'000	Elimination of intercompany transactions S\$'000	Consolidated totals S\$'000
Other material items 1H FY2021				
Finance income	1,057	23	(532)	548
Finance costs	7,700	9,820	-	17,520
Other material items 1H FY2020				
Finance income	919	52	(313)	658
Finance costs	4,748	11,835	-	16,583

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)

25. Significant related party transactions

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

	Group	
	1H FY2021 S\$'000	1H FY2020 S\$'000
Commercial management fees paid/payable to a related party		
- management fee	516	305
- reimbursement of expenses at cost	814	209
Property management fees paid/payable to a related party		
- management fee	516	305
- reimbursement of expenses at cost	3,822	1,858
Lease rental received/receivable from related parties		
- lease rental income	10,168	6,756
- reimbursement of expenses at cost	941	555
Lease rental paid/payable	32	30
Other revenue from related parties	500	348
Other property operating expenses paid/payable to related parties	168	15
Advances from a beneficiary of the ultimate controlling party of the Trust	2,250	2,263
Advances from related parties	32	106

Included in this amount was rental rebate (excluding the straight-line basis over the term of the lease) of S\$nil (1H FY2020: S\$1.5 million which has been deducted against the lease rental income).

During 1H FY2021, the Group waived charges for late payment of lease rental from related parties, in the ordinary course of business, amounting to S\$386,000 (1H FY2020: S\$75,000).

26. Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. 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: quotes prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices in 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 transfer between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred. There were no such transfers during the current and previous financial periods.

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

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group			
	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
As at 30 Jun 2021				
<u>Non-financial assets</u>				
Investment properties	-	-	2,414,537	2,414,537
<u>Financial liabilities</u>				
Derivative financial liabilities	-	(121)	-	(121)
As at 31 Dec 2020				
<u>Non-financial assets</u>				
Investment properties	-	-	2,345,729	2,345,729
<u>Financial liabilities</u>				
Derivative financial liabilities	-	(890)	-	(890)

	Trust			
	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
As at 30 Jun 2021				
<u>Financial liabilities</u>				
Derivative financial liabilities	-	(121)	-	(121)
As at 31 Dec 2020				
<u>Financial liabilities</u>				
Derivative financial liabilities	-	(890)	-	(890)

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

	Group		Trust	
	1H FY2021 S\$'000	FY2020 S\$'000	1H FY2021 S\$'000	FY2020 S\$'000
Financial Assets				
<u>At amortised cost</u>				
Trade and other receivables	23,015	19,636	350	311
Cash and bank balances	123,980	142,504	21,074	18,900
	146,995	162,140	21,424	19,211
Financial Liabilities				
<u>At amortised cost</u>				
Loans and borrowings	933,429	939,474	658,043	670,189
Trade and other payables	33,438	35,635	114,418	71,929
Security deposits	20,427	19,938	-	-
<u>FVTPL</u>				
Derivative financial liabilities	121	890	121	890
	987,415	995,937	772,582	743,008

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

1. Review of performance of the Group

Refer to condensed interim consolidated financial statements of the Group for the six-month period ended 30 June 2021.

2. 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 1H FY2021.

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

China's GDP grew 12.7% year-on-year in 1H2021 as recovery from the impact of COVID-19 continues. National urban disposable income and expenditure per capita increased 11.7% and 16.3% respectively in 1H2021 while national retail sales increased 23.0% year-on-year¹.

In 1H2021, Zhongshan's GDP and retail sales increased by 16.4% and 19.2% year-on-year respectively². Over the same period, Zhuhai City's GDP and retail sales grew 12.9% and 29.0% year-on-year respectively³ while Foshan's GDP and retail sales improved 17.3% and 18.1% year-on-year respectively⁴. DRT's 1H2021 revenue excluding the new acquisitions showed encouraging results, recovering to approximately 91.9% of 1H2019 on a like-for-like basis despite COVID-19 impact.

In line with the Trust's proactive asset management strategy, Xiaolan Metro Mall is undergoing asset enhancement initiative (AEI) to further enhance its tenant mix. The Trustee-Manager would be bringing in new tenants mainly from the food and beverage and children's sectors. The AEI is expected to provide children with new learning and fun experience which would attract more families to the mall. The AEI is expected to be completed by December 2021.

On 19 July 2021, Dasin Retail Trust's Chairman and controlling shareholder, Mr. Zhang Zhencheng as well as Aqua Wealth Holdings Limited, a controlling unitholder of the Trust entered into a sale and purchase agreement with New Harvest Investments Limited, an affiliate of Sino-Ocean Capital in pursuance of the Sino-Ocean Capital Partnership. By bringing on board an affiliate of Sino-Ocean Capital as a shareholder of the Trustee-Manager, the parties plan to work seamlessly to take the Trust into the next stage of growth and also explore in good faith other partnership opportunities. New Harvest will acquire 70.0% of the total issued and paid-up share capital in the Trustee-Manager from Mr. Zhang Zhencheng. It is currently expected that the transfer of the shares will be completed in August 2021.

As stated in our announcement dated 20 July 2021, the Trust has secured the extension of the onshore and offshore loan facilities by five months to 19 December 2021. The Trust is currently seeking to secure the refinancing of the offshore facilities and onshore facilities and to that end is working to obtain the approvals for the refinancing from all the banks within the respective syndicate of lenders.

¹ National Bureau of Statistics of China.

² Zhongshan Municipal Bureau of Statistics.

³ Zhongshan Municipal Bureau of Statistics.

⁴ Statistics Bureau of Foshan.

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

4. Distribution

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

Yes.

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

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

Yes.

Name of distribution	Distribution For The Period From 1 Jan 2020 To 30 June 2020
Distribution type	(a) Capital distribution
Distribution rate	(a) Capital distribution : 1.92 cents per unit
Tax rate	<u>Capital distribution</u> Capital distribution represents a return of capital to Unitholders for Singapore income tax purpose and its therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of DRT units, the amount of capital distribution will be applied to reduce the cost base of their DRT units for Singapore income tax purposes.

(c) Date payable

28 September 2021

(d) Record Date

31 August 2021

5. Interested person transactions

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

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

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

6. Use of Proceeds

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

Use of Proceeds	Announced use of proceeds (S\$ million)	Actual use of proceeds (S\$ million)	Balance of proceeds (S\$ million)
The partial repayment of the onshore construction loan of Foshan Dasin Commercial Management Co., Ltd. (佛山市大信商业管理有限公司) with Guangdong Shunde Rural Commercial Bank Company Limited (广东顺德农村商业银行股份有限公司) ("Purpose A")	77.7	76.1	1.6
The payment of the construction payables of the Shunde PRC Property Company ("Purpose B")	4.8	4.7	0.1
The payment of the estimated fees and expenses, including (i) the placement commission and related fees and expenses payable to the Joint Bookrunners, and (ii) professional and other fees and expenses to be incurred by Dasin Retail Trust in connection with the Proposed Acquisition and the Private Placement ("Purpose C")	11.5	10.7	0.8
Total	94.0	91.5	2.5

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

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 six months ended 30 June 2021 to be false or misleading, in any material respect.

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

Zhang Zhencheng
Chairman and Non-Executive Director

Wang Qiu
Chief Executive Director

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

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

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

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

Lun Chee Leong
Company Secretary
9 August 2021