



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 six-month period and year ended 31 December 2022

DASIN RETAIL TRUST
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For the six-month period and year ended 31 December 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 385,585 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)	18	20	23	22	29	34	15	
Lease expiry	27 July 2041 ⁽¹⁾	1 April 2043	21 February 2046	28 July 2045	12 October 2052	6 March 2057	23 September 2038 ⁽²⁾	
GFA (sq m)	119,682	108,690	180,338	25,857	168,269	177,276	13,905	794,017
	(including retail and carpark spaces of 30,170)	(including carpark spaces of 20,455)	(including retail, carpark and ancillary facilities spaces of 99,624)	(including ancillary facilities spaces of 584)	(including carpark, ancillary facilities and retail spaces of 88,306)	(including carpark, ancillary facilities and retail spaces of 82,020)		
NLA (sq m)	85,227	69,951	63,417	12,569	77,912	67,310	9,199	385,585
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	
Occupancy rate as at 31 December 2022 (%)	96.0	93.8	86.3	64.4	96.5	91.8	59.4	91.5
⁽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.								

The average occupancy rate of the seven malls was 91.5% as at 31 December 2022 (31 December 2021: 93.9%).

The initial portfolio of the Trust comprises Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour 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 31 December 2022 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2022 S\$'000	As at 31 December 2021 S\$'000
Non-current assets					
Investment properties	3	1,848,146	2,395,995	-	-
Plant and equipment		569	237	-	-
Intangible assets		357	427	-	-
Subsidiaries	4	-	-	893,752	912,373
Other receivables	5	-	466	-	-
		1,849,072	2,397,125	893,752	912,373
Current assets					
Trade and other receivables	5	12,750	23,623	469	589
Derivative financial assets		-	47	-	47
Cash and bank balances	7	98,100	119,222	1,473	11,720
		110,850	142,892	1,942	12,356
Total assets		1,959,922	2,540,017	895,694	924,729
Non-current liabilities					
Loans and borrowings	8	-	198,233	-	-
Deferred tax liabilities	9	306,396	420,432	-	-
Trade and other payables	10	1,425	1,620	42,880	53,109
		307,821	620,285	42,880	53,109
Current liabilities					
Loans and borrowings	8	910,491	755,851	660,676	677,378
Derivative financial liabilities		-	27	-	27
Trade and other payables	10	26,520	31,459	85,450	54,815
Loans from uniholders	11	20,493	-	20,493	-
Security deposits	25	14,405	17,362	-	-
Current tax liabilities		1,087	1,362	-	-
		972,996	806,061	766,619	732,220
Total liabilities		1,280,817	1,426,346	809,499	785,329
Net assets		679,105	1,113,671	86,195	139,400
Represented by:					
Units in issue	12	267,560	267,051	267,560	267,051
Other reserves	13	411,545	846,620	(181,365)	(127,651)
		679,105	1,113,671	86,195	139,400
Net asset value per unit attributable to Uniholders (S\$)	14	0.84	1.40	0.11	0.18

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B. Condensed interim consolidated statement of profit or loss

	Note	Group			
		6 months ended 31 December 2022	6 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021
		S\$'000	S\$'000	S\$'000	S\$'000
Revenue	23	37,609	49,975	85,280	101,311
Property related taxes		(3,044)	(3,760)	(6,405)	(7,794)
Property and commercial management fees		(867)	(989)	(1,814)	(2,007)
Property operating expenses	17	(13,145)	(14,258)	(29,857)	(22,312)
Total property operating expenses		(17,056)	(19,007)	(38,076)	(32,113)
Net property income		20,553	30,968	47,204	69,198
Trustee-Manager's fees		(3,119)	(3,540)	(6,474)	(6,945)
Other trust expenses		(1,187)	(1,807)	(3,342)	(2,744)
Exchange gain/(loss)		14,559	(1,439)	6,813	(7,290)
Other (expense)/income		(239)	140	(19)	909
Finance income		406	523	905	1,071
Finance costs	15	(21,313)	(21,007)	(36,666)	(38,527)
Net income		9,660	3,838	8,421	15,672
Net change in fair value of investment properties	3	(297,891)	(63,876)	(361,923)	(62,844)
Loss before income tax		(288,231)	(60,038)	(353,502)	(47,172)
Income tax credit / (expenses)	16	66,723	8,201	75,554	(1,743)
Loss for the period/year	17	(221,508)	(51,837)	(277,948)	(48,915)
Attributable to:					
Uniholders of the Trust		(221,508)	(51,837)	(277,948)	(48,915)
Earnings per unit (cents)	18				
- Basic		(27.30)	(6.61)	(34.55)	(6.26)
- Diluted		(27.30)	(6.57)	(34.55)	(6.22)

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C. Condensed interim consolidated statement of comprehensive income

	Group			
	6 months ended 31 December 2022 S\$'000	6 months ended 31 December 2021 S\$'000	12 months ended 31 December 2022 S\$'000	12 months ended 31 December 2021 S\$'000
Loss for the period	(221,508)	(51,837)	(277,948)	(48,915)
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	(104,690)	34,088	(144,034)	85,730
Total comprehensive income for the period	(326,198)	(17,749)	(421,982)	36,815

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D. Condensed interim statements of changes in unitholders' funds

	Units in issue	Statutory surplus reserve	Capital reserve	Foreign currency translation reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	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 Uniholders:						
Contributions by and distributions to Uniholders						
Distribution to Uniholders						
- 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 Uniholders	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	-	-	-	-	(221,508)	(221,508)
Other comprehensive income:						
Foreign currency translation differences						
- foreign operations, net of tax	-	-	-	(104,690)	-	(104,690)
Other comprehensive income for the period	-	-	-	(104,690)	-	(104,690)
Reserves to be set aside under PRC laws	-	6	-	-	(6)	-
Transactions with Uniholders:						
Contributions by and distributions to Uniholders						
Distribution to Uniholders						
- Tax-exempt income	-	-	-	-	-	-
- Capital	-	-	-	-	-	-
Units issued and to be issued as payment for						
Trustee-manager's fees	-	-	-	-	-	-
Total transactions with Uniholders	-	-	-	-	-	-
As at 31 December 2022	267,560	680	910,042	(86,519)	(412,658)	679,105

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

	Units in issue	Statutory surplus reserve	Capital reserve	Foreign currency translation reserve	Accum- ulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group						
As at 1 January 2021	282,032	554	910,042	(28,215)	(62,062)	1,102,351
Loss 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 Uniholders:						
Contributions by and distributions to Uniholders						
Distribution to Uniholders						
- 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 Uniholders	2,407	-	-	-	(10,514)	(8,107)
As at 30 June 2022	284,439	554	910,042	23,427	(69,654)	1,148,808
As at 1 July 2021	284,439	554	910,042	23,427	(69,654)	1,148,808
Loss for the period	-	-	-	-	(51,837)	(51,837)
Other comprehensive income:						
Foreign currency translation differences						
- foreign operations, net of tax	-	-	-	34,088	-	34,088
Other comprehensive income for the period	-	-	-	34,088	-	34,088
Reserves to be set aside under PRC laws	-	120	-	-	(120)	-
Transactions with Uniholders:						
Contributions by and distributions to Uniholders						
Distribution to Uniholders						
- Tax-exempt income	-	-	-	-	-	-
- Capital	(20,928)	-	-	-	-	(20,928)
Units issued and to be issued as payment for						
Trustee-manager's fees	3,540	-	-	-	-	3,540
Total transactions with Uniholders	(17,388)	-	-	-	-	(17,388)
As at 31 December 2021	267,051	674	910,042	57,515	(121,611)	1,113,671

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

	Units in issue S\$'000	Accumulated losses S\$'000	Total S\$'000
The Trust			
As at 1 January 2022	267,051	(127,651)	139,400
Loss for the period	-	(19,464)	(19,464)
Total comprehensive income for the period	-	(19,464)	(19,464)
Transactions with Uniholders:			
Contributions by and distributions to Uniholders			
Distribution to Uniholders			
- 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 Uniholders	509	(13,093)	(12,584)
As at 30 June 2022	267,560	(160,208)	107,352
As at 1 July 2022			
As at 1 July 2022	267,560	(160,208)	107,352
Loss for the period	-	(21,157)	(21,157)
Total comprehensive income for the period	-	(21,157)	(21,157)
Transactions with Uniholders:			
Contributions by and distributions to Uniholders			
Distribution to Uniholders			
- Tax-exempt income	-	-	-
- Capital	-	-	-
Units issued and to be issued as payment for Trustee-manager's fees	-	-	-
Total transactions with Uniholders	-	-	-
As at 31 December 2022	267,560	(181,365)	86,195

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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 Uniholders:			
Contributions by and distributions to Uniholders			
Distribution to Uniholders			
- 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 Uniholders	2,407	(10,514)	(8,107)
As at 30 June 2021	284,439	(126,675)	157,764
As at 1 July 2021			
As at 1 July 2021	284,439	(126,675)	157,764
Loss for the period	-	(976)	(976)
Total comprehensive income for the period	-	(976)	(976)
Transactions with Uniholders:			
Contributions by and distributions to Uniholders			
Distribution to Uniholders			
- Tax-exempt income	-	-	-
- Capital	(20,928)	-	(20,928)
Units issued and to be issued as payment for Trustee-manager's fees	3,540	-	3,540
Total transactions with Uniholders	(17,388)	-	(17,388)
As at 31 December 2021	267,051	(127,651)	139,400

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E. Condensed interim consolidated statement of cash flows

	Note	Group			
		6 months ended 31 December 2022	6 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021
		S\$'000	S\$'000	S\$'000	S\$'000
Operating activities					
Less before income tax		(288,231)	(60,038)	(353,502)	(47,172)
Adjustments for:					
Amortisation of intangible assets		37	32	73	63
Depreciation of plant and equipment		51	72	95	143
Finance costs	15	21,313	21,007	36,666	38,527
Finance income		(406)	(523)	(905)	(1,071)
Loss allowance on receivables		5,973	6,545	17,331	9,212
Net change in fair value of derivative financial instruments		239	(140)	19	(909)
Net change in fair value of investment properties	3	297,891	63,876	361,923	62,844
Recognition of rental income on a straight-line basis over the lease term		(818)	537	(1,246)	1,267
Trustee-Manager's fees paid in units		-	3,540	3,355	6,945
Plant and equipment written off		-	-	8	-
Operating cash flows before working capital changes		36,049	34,908	63,817	69,849
Changes in working capital					
Trade and other receivables		(14,400)	(4,464)	(21,355)	(10,048)
Trade and other payables		(4,207)	(6,285)	651	(9,253)
Cash generated from operations		17,442	24,159	43,113	50,548
Income tax paid		(2,401)	(3,164)	(6,418)	(7,855)
Net cash generated from operating activities		15,041	20,995	36,695	42,693
Investing activities					
Capital expenditure on investment properties		(226)	(1,659)	(457)	(2,343)
Interest received		2,302	479	2,609	1,121
Purchase of intangible assets		(36)	(44)	(36)	(86)
Payment of right-of-use assets		(450)	-	(450)	-
Net cash generated from/(used in) investing activities		1,590	(1,224)	1,666	(1,308)
Financing activities					
Distribution paid	21	-	(20,928)	(15,939)	(32,440)
Finance costs paid		(20,502)	(12,734)	(33,724)	(25,709)
Interest free loans from unitholders		6,534	-	20,493	-
Payment of lease liabilities		(49)	(47)	(96)	(98)
Payment of loan transaction costs		(41)	(6,835)	(172)	(9,406)
Proceeds from borrowings		-	17,693	-	17,693
Prepayment of borrowings		(6,012)	(3,813)	(20,822)	(20,302)
Withdrawal/(Placement) in cash pledged		(31,837)	(6,185)	(31,034)	13,905
Net cash used in financing activities		(51,907)	(32,849)	(81,294)	(56,357)
Net increase/(decrease) in cash and cash equivalents		(35,276)	(13,078)	(42,933)	(14,972)
Cash and cash equivalents at the beginning of the period		78,555	99,616	88,016	98,790
Effect of exchange rate changes on cash and cash equivalents		(5,279)	1,478	(7,083)	4,198
Cash and cash equivalents at the end of the period	7	38,000	88,016	38,000	88,016

Significant non-cash transactions

The Trustee-Manager's trustee fee and base management fee for the year ended 31 December 2022 ("FY2022") was S\$ 6,474,000 (year ended 31 December 2021 ("FY2021"): S\$6,945,000). S\$3,355,000 (FY2021: S\$5,173,000) was paid during the year by the issue of 10,459,000 (FY2021: 9,454,000) units. The remaining S\$3,119,000 will be paid by cash subsequent to the year end (FY2021: the remaining S\$1,771,000 were issued subsequent to the year end by the issuance of 4,844,000 units).

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F. Notes to the condensed interim consolidated financial statements

1. General

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

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

The condensed interim consolidated financial statements of the Trust and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) for the six-month period and year ended 31 December 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 29.01% of the issued and paid-up share capital in the Trustee-Manager is owned by Mr. Zhang Zhencheng and 0.99% is owned by Shun Fung Investment Limited (“SFIL”) which is controlled by Mr. Zhang Kaicheng who is Mr. Zhang Zhencheng’s brother. 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 year ended 31 December 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 31 December 2022, the Group and the Trust have (i) Singapore dollar and United States dollar denominated offshore syndicated term loans facilities of up to the equivalent of S\$430.0 million in aggregate (“**Offshore Facility 1**”) and an onshore syndicated term loan facility of up to RMB400.0 million in aggregate (“**Onshore Facility 1**”) to finance the acquisitions of Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour and Shiqi Metro Mall (the “Initial Portfolio”), (ii) Singapore dollar and United States dollar denominated offshore syndicated term loan facility of up to the equivalent of approximately S\$134.2 million in aggregate (“**Offshore Facility 2**”) and an onshore syndicated term loan facility of up to RMB478.0 million in aggregate (“**Onshore Facility 2**”) to finance the acquisition of Shunde Metro Mall and Tanbei Metro Mall; and (iii) the Singapore dollar and Hong Kong dollar denominated offshore syndicated term loan facility of up to the equivalent of approximately S\$106.61 million in aggregate (“**Offshore Facility 3**”) and an onshore term loan facility of up to RMB500.0 million in aggregate (“**Onshore Facility 3**”) to finance the acquisition of Doumen Metro Mall.

The tenures of both the Offshore Facility 1 and Onshore Facility 1 have been extended four times and three times respectively prior to 31 December 2022 as announced by the Trust on 20 January 2021, 20 July 2021, 20 December 2021, 21 March 2022 and 20 June 2022.

The tenure of the Offshore Facility 2 has been extended one time from 15 July 2022 to 31 December 2022 as announced on 14 August 2022, while the tenure of the Offshore Facility 3 has been extended one time from 19 September 2022 to 31 December 2022 as announced on 14 October 2022.

As announced on 2 January 2023, the Offshore Facility 1, Onshore Facility 2 and Offshore Facility 3 were scheduled to mature on 31 December 2022 but were not extended by the lenders. The Trustee-Manager also updated in the announcement that discussions with lenders for these facilities to extend the loan maturity date to 30 April 2023 are progressing, albeit protracted.

As announced on 9 January 2023, FTI Consulting (Singapore) Pte Ltd (“FTI Consulting”) has been appointed by the Trustee-Manager as an advisor to conduct an independent business review of Dasin Retail Trust and its subsidiaries and to progress loan extension discussions with the various lenders.

On 10 January 2023, Luso International Banking Limited (“Luso Bank”) issued a statutory demand letter to the Trustee-Manager declaring an event of default under a loan agreement (revolving credit facility) dated 15 December 2022 with Luso Bank for the grant of a loan facility of up to USD13.12 million with a term of 7 months in respect of loans granted by Luso Bank to the Trust and demanding payment of all principal and interest under the aforesaid facilities as announced on 19 January 2023. On 24 June 2023, Luso Bank granted the Trust an extension of the loan facility by another 7 months to 24 January 2024 but has not withdrawn the statutory demand letter as of the date of this announcement.

As announced on 24 April 2023 and 2 July 2023, due to the decrease in the valuation of the investment properties of the Group as at 31 December 2022, exchange losses arising from the weakening of Renminbi against Singapore dollar, United States dollar and Hong Kong dollar in which the Trust’s offshore loans are denominated, higher interest rates, the Trustee-Manager’s exercise of its entitlement for its fees to be paid in cash instead of units and the derecognition of the rental income from the two master leases recognised for the financial year ended 31 December 2022 in accordance with the International Financial Reporting Standards IFRS 16 Leases, there has been a breach of the gearing ratio, loan to valuation ratio and interest coverage ratio which the Trust is obliged to maintain under the terms of the facilities.

The non-payment of the loans under Offshore Facility 1, Onshore Facility 1 and Offshore Facility 3 upon maturity on 31 December 2022 and failure to secure the four-month extension of the maturity dates for the loans from 31 December 2022 to 30 April 2023 triggered a cross default under all the facilities including Onshore Facility 2 and Onshore Facility 3. As a result, the lenders are contractually entitled to demand for immediate repayment of the outstanding borrowing amount from the Group. Accordingly, the non-current portion of the borrowings of the Group pertaining to Onshore Facility 2 and Onshore Facility 3 amounting to RMB949.75 million (equivalent to approximately S\$184.22 million) as at 31 December 2022, which are only due in years 2025 and 2029 respectively, have been reclassified from non-current liabilities to current liabilities. Under the terms of the facilities, the agent of the facilities may, at its discretion and if so, directed by lenders representing two-thirds of the total commitments under the facility, by notice call for repayment ahead of the stipulated repayment dates. As of the date of issuance of this announcement, the Group and the Trust have not received notice for the accelerated repayment from the agent of the syndicated term loans facilities.

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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)

As at 31 December 2022, the Group and the Trust had total net assets of S\$1,959,922,000 and S\$895,694,000 and net current liabilities of S\$862,146,000 and S\$764,677,000 respectively.

The onshore facility agent for Onshore Facility 1 does not allow and has restricted the remittance of funds out of China via payment of dividends by onshore subsidiaries for payment of the interest expenses amounting to approximately S\$11.9 million on the Offshore Facility 1 for the period from 1 January 2023 to 30 June 2023 and essential offshore operating and business expenses of the Trust which is subject to execution of the debt restructuring agreement. In addition, the lenders of Offshore Facility 3 have not approved a reduction of share capital of an onshore subsidiary for the remittance of funds out of China for payment of interest expenses amounting to approximately S\$2.95 million for Offshore Facility 3 and essential offshore operating business expenses of the Trust which is subject to execution of the debt restructuring agreement.

The Trust has been and is seeking to consensually restructure its debt obligations since FTI Consulting was appointed as a consensual restructuring is minimally invasive and if executed well, will yield the best outcome for all stakeholders. To achieve this, all lenders must unanimously support the restructuring plan. The consensual restructuring exercise has taken longer than originally anticipated on account of there being a myriad of issues which required the unanimous support of 19 onshore and offshore lenders.

The draft term sheet dated 22 May 2023 for the debt restructuring stipulated several conditions which include a condition precedent for signing of a memorandum of understanding (the "MOU") by (i) a reputable Chinese entity (a state-owned enterprise); (ii) the Trustee-Manager; (iii) New Harvest Investment Limited (an indirect subsidiary of Sino-Ocean Capital Holding Limited); and (iv) Zhang Zhencheng who is deemed to be interested in 43.2% of the units of the Trust. The MOU is for the acquisition of the state-owned investor's assets by the Trust in consideration for new units to be issued. The MOU stipulated that the state-owned investor would take the lead to form a new syndicated bank loan for repayment of the existing syndicated bank loans. The reputable Chinese entity was the only strategic investor who had provided a memorandum of understanding to assist the Trust in the refinancing of the loans.

As announced on 6 July 2023, there were meetings with the reputable Chinese entity on 6 and 28 June 2023 in relation to the MOU. During the meeting on 28 June 2023, the reputable Chinese entity stated that it would not proceed further on the MOU and would cease negotiations on the same, for reasons disclosed in the announcement of 6 July 2023. The term sheet dated 22 May 2023 sought by the lenders had provided for the entry into the MOU to be a condition precedent, the non-accomplishment of which would have to lead to further negotiations with the lenders.

The term sheet also stipulated appointment of property marketing agents, CBRE (Shanghai) Consulting Management Co., Ltd Guangzhou branch and Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL") for the disposal of the retail malls of the Trust within a 24- month timeframe in an orderly and structured manner and appointment of FTI Consulting as the monitoring accountant whose roles include taking custody of the company seal and electronic banking tokens to prevent any unauthorised use of the seal and dissipation of assets.

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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 above events which indicate that material uncertainties exist that might cast significant doubt on the ability of the Group and the Trust to continue as going concerns, the Trustee-Manager has prepared the financial statements on a going concern basis, which assumes that the Group and the Trust are able to meet their respective obligations as and when they fall due within the next twelve months, as the Trustee-Manager will continue to negotiate the terms of debt restructuring with the lenders with the assistance of FTI Consulting, and explore the available options in relation to the restructuring exercise with the lenders. Such options include but are not limited to, (i) engaging CBRE and JLL to dispose retail malls of the Trust within 24-month timeframe in an orderly and structured manner; and (ii) engaging FTI and JLL or any such other parties to search for other potential strategic investors.

The Trustee-Manager acknowledges that there are material uncertainties over the ability of the Group and the Trust to remit funds out of China for payment of interest expenses of Offshore Facility 1 and Offshore Facility 3 and essential offshore operating business expenses, as and when they fall due within the next twelve months.

If for any reason the Group and the Trust are unable to continue as a going concern, there could be an impact on the classification of assets and liabilities and the ability to realise assets at their recognised values, and to extinguish liabilities in the normal course of business at the amounts stated in the financial statements. The liabilities of the Group and the Trust disclosed in the financial statements are estimated and computed based on the latest information available to the Trust at the issuance of the financial statements and may be subject to revisions with passage of time and upon material information becoming available to the Trust. In addition, the Group and the Trust may have to provide for further liabilities that may arise. It should be noted that their full consequences and implications of the events disclosed above cannot necessarily be appreciated or assessed at the date of issuance of this announcement.

2.3 New and amended standards adopted by the Group

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

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

2.4 Use of estimates and judgements

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

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

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

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 31 December 2022 S\$'000	As at 31 December 2021 S\$'000
At 1 January	2,395,995	2,345,729
Capital expenditure	457	2,343
	2,396,452	2,348,072
Effects of recognising accounting income on a straight-line basis over the lease term	1,246	(1,267)
Changes in fair value	(361,923)	(62,844)
Translation differences on consolidation	(187,629)	112,034
At 31 December 2022 and 31 December 2021	1,848,146	2,395,995

	Group					
	As at 31 December 2022 RMB'000	As at 31 December 2021 RMB'000	% Change	As at 31 December 2022 S\$'000	As at 31 December 2021 S\$'000	% Change
Investment properties						
Shiqi Metro Mall	2,445,000	2,812,900	(13)	474,257	596,906	(21)
Xiaolan Metro Mall	1,666,000	2,023,800	(18)	323,154	429,456	(25)
Ocean Metro Mall	1,305,000	1,675,500	(22)	253,131	355,546	(29)
Dasin E-Colour	188,000	265,000	(29)	36,466	56,234	(35)
Doumen Metro Mall	1,676,000	1,974,000	(15)	325,094	418,889	(22)
Shunde Metro Mall	2,185,000	2,468,250	(11)	423,824	523,770	(19)
Tanbei Metro Mall	63,000	71,600	(12)	12,220	15,194	(20)
	9,528,000	11,291,050	(16)	1,848,146	2,395,995	(23)

Security

The investment properties are pledged as security to secure bank loans and borrowings (Note 8).

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 31 December 2022 and 31 December 2021 were based on independent valuation of the investment properties undertaken by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL"), based on the income capitalisation and discounted cash flows methods in arriving at the open market values as at the reporting dates.

In valuing the investment properties, JLL have compiled with all requirements contained in the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of the Surveyors; the International Valuation Standards published by the International Valuation Standards Council; and the Singapore Institute of Surveyors and Valuers as required by Singapore Exchange Limited.

The valuation report of the investment properties as at 31 December 2022 highlighted that several anchor leases which were terminated in early 2023 may have certain impact to property value, the valuation therefore factored into these situations despite those leases were still valid as at valuation date 31st December 2022. Those leases include: -

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

3. Investment properties (cont'd)

1. A related party, Zhongshan Dasin Metro-Mall Merchant Investment Co.Ltd (中山市大信新都汇商业投资有限公司) had terminated their lease early in March 2023, an NLA of 11,534.25 sq.m with an original lease expiration date of 25 September 2027, as announced on 7 April 2023;
2. A related party, Zhongshan Dasin Metro-Mall Merchant Investment Co. Ltd (中山市大信新都汇商业投资有限公司) had terminated their lease early in March 2023, an NLA of 4,593 sq.m with an original lease expiration date of 1 March 2024, as announced on 7 April 2023;
3. A third party, Guangzhou Jia Guang Supermarket Co. Ltd (广州家广超市有限公司), a subsidiary of Carrefour China, had terminated their lease early in March 2023, an NLA of 17,770 sq.m with an original lease expiration date of 27 December 2034, as announced on 24 April 2023;

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 31 December 2022 compared to 31 December 2021 is primarily due to the general decline in market performance and rental rates, lower passing rent, lower projected short term growth rate in rent (Growth rate of year 1 to year 5 from 0% to 6% in 31 December 2022 compare to 3% to 10% in 31 December 2021 while growth rate of year 6 to year 10 from 3% to 5% in 31 December 2022 compare to 3% to 6% in 31 December 2021), negative reversion in rental rate from some leases contracted in 2022, and an increase in vacancy rates. The decrease in fair value of the investment properties as at 31 December 2022 is also contributed by foreign exchange due to weakening of Renminbi (RMB) against Singapore dollars as the fair value of the investment properties are determined 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	Discounted 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.

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

4 Subsidiaries

	Trust	
	As at 31 December 2022 S\$'000	As at 31 December 2021 S\$'000
Unquoted equity, at cost	126,400	126,400
Loans to subsidiaries	767,352	785,973
	893,752	912,373

The loans to subsidiaries of the Trust consist of a S\$456.2 million, US\$124.1 million (S\$166.4 million) and RMB746.4 million (S\$144.8 million) equivalent to S\$767.4 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 31 December 2022 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2022 S\$'000	As at 31 December 2021 S\$'000
<u>Non-current</u>				
Finance lease receivables	-	466	-	-
<u>Current</u>				
Trade receivables - third parties	19,942	9,519	-	-
Loss allowance on receivables	(17,953)	(4,623)	-	-
	1,989	4,896	-	-
Trade receivables - related parties (master Lease) ⁽¹⁾⁽²⁾	1,451	2,446	-	-
Loss allowance on receivables (master lease)	(1,451)	(1,374)	-	-
	-	1,072	-	-
Trade receivables - related parties (others)	5,416	6,885	-	-
Loss allowance on receivables (others)	(5,189)	(4,384)	-	-
	227	2,501	-	-
Trade receivables (net)	2,216	8,469	-	-
Other receivables (non-trade)	1,073	463	8	9
Loss allowance on receivables (non-trade)	(117)	(2)	-	-
	956	461	8	9
Amount due from related parties (non-trade)	1,907	1,242	-	-
Loss allowance on related parties (non-trade)	(1,063)	-	-	-
	844	1,242	-	-
Amount due from subsidiaries (non-trade)	-	-	458	380
VAT receivables	7,887	12,348	-	-
Interest receivables	109	119	1	-
Trade and other receivables	12,012	22,639	467	389
Contract costs	43	77	-	-
Prepayment	366	540	2	200
Advance to a supplier	329	367	-	-
	12,750	23,623	469	589

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

5. Trade and other receivables (cont'd)

- (1) Zhongshan Dasin Real Estate Co., Ltd. 中山市大信置业有限公司 (the "sponsor") has provided indemnities on 26 December 2016 to guarantee their obligations of Zhongshan Dasin Metro-Mall Merchant Investment Co., Ltd. 中山市大信管理投资有限公司 ("Dasin Merchant Investment") or the Master Lessee.

The shareholders of the Sponsor are Mr. Zhang Kaicheng (37.5%), Mr. Zhang Jiucheng (37.5%) and Mr. Zhang Zhongming (25%). Mr. Zhang Kaicheng, Mr. Zhang Jiucheng and Mr. Zhang Zhencheng are brothers (the "Zhang Brothers"). Mr. Zhang Zhongming is the nephew of the Zhang Brothers. Mr. Zhang Zhencheng is a director of the Trustee-Manager and the largest controlling unitholder of the Trust. Mr. Zhang Zhongming is an alternate director to Mr. Zhang Zhencheng.

- (2) Revenue of S\$4.5 million from Master Leases for the financial year ended 31 December 2022 were derecognised in accordance with IFRS 16 Leases.

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\$25.8 million as at 31 December 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\$nil million (31 December 2021: S\$0.47 million) relate to a lease receivable from a tenant for a period of ten years.

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

6. Ageing Disclosure

Expected credit loss assessment

The group uses a uniformity allowance matrix to measure the ECLs of trade receivables including third party and related party tenants.

Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The Trustee- Manager believes that no loss allowance for impairment beyond the amounts provided for is necessary in respect of trade receivables as these receivables relate mainly to tenants that have good records with the Group or have sufficient security deposits as collateral. The following table provides information about the risk profile of the lifetime ECL's for trade and other receivables:

	Group			
	Gross (Trade)		Loss allowance (Trade)	
	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Not pass due	654	984	218	260
Past due 1-30 days	2,263	3,124	1,097	940
Past due 31-60 days	1,795	2,671	1,558	1,120
Past due 61-90 days	1,268	3,194	1,195	1,904
Past due 91-180 days	2,691	3,237	2,585	2,258
Past due 181-365 days	5,358	4,124	5,160	3,060
More than 365 days past due	12,780	998	12,780	839
	26,809	18,332	24,593	10,381

	Group			
	Gross (Non-trade)		Loss allowance (Non-trade)	
	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Not pass due	9,833	15,114	37	-
More than 365 days past due	1,143	42	1,143	2
	10,976	15,156	1,180	2

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

6. Ageing Disclosure (cont'd)

	Group			
	Gross (Trade and non-trade)		Loss allowance (Trade and non-trade)	
	As at 31 December 2022 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2022 S\$'000	As at 31 December 2021 S\$'000
Not pass due	10,484	16,098	256	260
Past due 1-30 days	2,263	3,124	1,097	940
Past due 31-60 days	1,795	2,671	1,558	1,120
Past due 61-90 days	1,268	3,194	1,195	1,904
Past due 91-180 days	2,691	3,237	2,585	2,258
Past due 181-365 days	5,358	4,124	5,160	3,060
More than 365 days past due	13,926	1,040	13,922	841
	37,785	33,488	25,773	10,383

Movements in loss allowance in respect of trade and other receivables

The movement in the loss allowance in respect of trade and other receivables during the year is as follows:

	Group	
	As at 31 December 2022 S\$'000	As at 31 December 2021 S\$'000
At 1 January	10,383	974
Loss allowance on trade and other receivables, net	17,331	9,212
Allowance utilised	(173)	-
Translation difference	(1,768)	197
At 31 December	25,773	10,383

7. Cash and bank balances

Cash and bank balances of the Group and the Trust included restricted cash, which were placed as security deposit to secure bank borrowings, as at 31 December 2022 of approximately S\$60.1 million (31 December 2021: S\$31.2 million) and S\$0.7 million (31 December 2021: S\$6.3 million) respectively.

	Group		Trust	
	As at 31 December 2022 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2022 S\$'000	As at 31 December 2021 S\$'000
Bank balances	94,693	94,373	894	9,023
Fixed deposits with financial institutions	3,407	24,849	579	2,697
Cash and bank balances in Statement of Position	98,100	119,222	1,473	11,720
Less: Restricted cash	(60,100)	(31,206)	(716)	(6,304)
Cash and cash equivalents in Statement of Cash Flows	38,000	88,016	757	5,416

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

7. Cash and bank balances (cont'd)

Fixed deposits have original maturities of one month or less.

Restricted cash included (i) S\$5.5 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 8), (ii) S\$nil million and S\$17.8 million (RMB91.8 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 8), (iii) S\$0.6 million (31 December 2021: S\$0.7 million) held by a subsidiary and (iv) S\$36.1 million where remittance out of China requires the onshore facility agent's consent.

8. Loans and borrowings

	Group		Trust	
	As at 31 December 2022 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2022 S\$'000	As at 31 December 2021 S\$'000
Secured borrowings:				
-Amount repayable within one year	912,817	757,867	660,676	679,367
-Amount repayable after one year	-	201,539	-	-
	912,817	959,406	660,676	679,367
Unsecured borrowings:	-	-	-	-
Total gross borrowings	912,817	959,406	660,676	679,367
Less capitalised transaction costs	(2,326)	(5,322)	-	(1,989)
Total borrowings net of transaction costs	910,491	954,084	660,676	677,378
Current	910,491	755,851	660,676	677,378
Non-current	-	198,233	-	-
Total	910,491	954,084	660,676	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.

As at 31 December 2022, the Group and the Trust have (i) Singapore dollar and United States dollar denominated offshore syndicated term loans facilities of up to the equivalent of S\$430.0 million in aggregate ("Offshore Facility 1") and an onshore syndicated term loan facility of up to RMB400.0 million in aggregate ("Onshore Facility 1") to finance the acquisitions of Xiaolan Metro Mall, Ocean Metro Mall, Dasin E-Colour and Shiqi Metro Mall (the "Initial Portfolio"), (ii) Singapore dollar and United States dollar denominated offshore syndicated term loan facility of up to the equivalent of approximately S\$134.2 million in aggregate ("Offshore Facility 2") and an onshore syndicated term loan facility of up to RMB478.0 million in aggregate ("Onshore Facility 2") to finance the acquisition of Shunde Metro Mall and Tanbei Metro Mall; and (iii) the Singapore dollar and Hong Kong dollar denominated offshore syndicated term loan facility of up to the equivalent of approximately S\$106.61 million in aggregate ("Offshore Facility 3") and an onshore term loan facility of up to RMB500.0 million in aggregate ("Onshore Facility 3") to finance the acquisition of Doumen Metro Mall.

The tenures of both the Offshore Facility 1 and Onshore Facility 1 have been extended four times and three times respectively prior to 31 December 2022 as announced by the Trust on 20 January 2021, 20 July 2021, 20 December 2021, 21 March 2022 and 20 June 2022.

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

8. Loans and borrowings (cont'd)

The tenure of the Offshore Facility 2 has been extended one time from 15 July 2022 to 31 December 2022 as announced on 14 August 2022, while the tenure of the Offshore Facility 3 has been extended one time from 19 September 2022 to 31 December 2022 as announced on 14 October 2022.

As announced on 2 January 2023, the Offshore Facility 1, Onshore Facility 2 and Offshore Facility 3 were scheduled to mature on 31 December 2022 but were not extended by the lenders. The Trustee-Manager also updated in the announcement that discussions with lenders for these facilities to extend the loan maturity date to 30 April 2023 are progressing, albeit protracted.

On 10 January 2023, Luso International Banking Limited ("Luso Bank") issued a statutory demand letter to the Trustee-Manager declaring an event of default under a loan agreement dated 15 December 2022 with Luso Bank for the grant of a loan facility of up to USD13.12 million with a term of 7 months in respect of loans granted by Luso Bank to the Trust and demanding payment of all principal and interest under the aforesaid facilities as announced on 19 January 2023. On 24 June 2023, Luso Bank granted the Trust an extension of the loan facility by another 7 months to 24 January 2024 but has not withdrawn the statutory demand letter as of the date of this announcement.

As announced on 24 April 2023 and 2 July 2023, due to the decrease in the valuation of the investment properties of the Group as at 31 December 2022, exchange losses arising from the weakening of Renminbi against Singapore dollar, United States dollar and Hong Kong dollar in which the Trust's offshore loans are denominated, higher interest rates, the trustee-Manager's exercise of its entitlement for its fees to be paid in cash instead of units and the consequential derecognition of the rental income from the two master leases recognised for the financial year ended 31 December 2022 in accordance with the International Financial Reporting Standards IFRS 16 Leases, there has been a breach of the gearing ratio, loan to valuation ratio and interest coverage ratio which the Trust is obliged to maintain under the terms of the facilities.

The non-payment of the loans under Offshore Facility 1, Onshore Facility 1 and Offshore Facility 3 upon maturity on 31 December 2022 and failure to secure the four-month extension of the maturity dates for the loans from 31 December 2022 to 30 April 2023 triggered a cross default under all the facilities including Onshore Facility 2 and Onshore Facility 3. As a result, the lenders are contractually entitled to demand for immediate repayment of the outstanding borrowing amount from the Group. Accordingly, the non-current portion of the borrowings of the Group pertaining to Onshore Facility 2 and Onshore Facility 3 amounting to RMB949.75 million (equivalent to approximately S\$184.22 million) as at 31 December 2022, which were only due in years 2025 and 2029 respectively, have been reclassified from non-current liabilities to current liabilities. Under the terms of the facilities, the agent of the facilities may, at its discretion and if so directed by lenders representing two-thirds of the total commitments under the facility, by notice call for repayment ahead of the stipulated repayment dates.

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

8. Loans and borrowings (cont'd)

	Nominal interest rate per annum %	Year of maturity	Face value Original currency ('000)	Face value \$'000	Group	Trust
					Carrying amount \$'000	Carrying amount \$'000
As at 31 December 2022						
Initial Portfolio and Shiqi Metro Mall						
Onshore secured floating rate term loan	5.225-5.725	2022	RMB	350,152	67,919	67,899
Offshore secured floating rate term loan	1.53-4.75	2022	SGD	234,144	234,144	234,144
offshre secured floating rate term loan	1.41-5.93	2022	USD	129,882	174,061	174,061
					<u>476,124</u>	<u>476,104</u>
						<u>408,205</u>
Doumen Metro Mall						
Onshore secured floating rate term loan	4.90	2023-2029	RMB	482,500	93,590	92,674
Offshore secured floating rate term loan	1.83-4.58	2022	SGD	53,328	53,328	53,328
offshre secured floating rate term loan	1.64-4.93	2022	HKD	285,686	49,009	49,009
					<u>195,927</u>	<u>195,011</u>
						<u>102,337</u>
Shunde Metro Mall and Tanbei Metro Mall						
Onshore secured floating rate term loan	4.55-4.75	2022-2025	RMB	467,245	90,632	89,241
Offshore secured floating rate term loan	1.72-5.41	2022	SGD	87,000	87,000	87,000
offshre secured floating rate term loan	1.32-5.27	2022	USD	34,000	45,565	45,565
					<u>223,197</u>	<u>221,806</u>
						<u>132,565</u>
Revolving credit facility						
Revolving credit facility	2.91-4.54	2023	USD	13,110	17,569	17,569
					<u>912,817</u>	<u>910,490</u>
						<u>660,676</u>

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

	Nominal interest rate per annum %	Year of maturity	Face value Original currency	Face value	Group	Trust	
					Carrying amount	Carrying amount	
			('000)	\$'000	\$'000	\$'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
offshre secured floating rate term loan	1.29-1.82	2022	USD	134,286	181,095	181,095	181,095
					<u>499,520</u>	<u>499,481</u>	<u>423,095</u>
Doumen Metro Mall							
Onshore secured floating rate term loan	4.90	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
offshre secured floating rate term loan	1.64-1.88	2022	HKD	294,000	50,848	50,262	50,262
					<u>209,177</u>	<u>206,793</u>	<u>104,509</u>
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
offshre secured floating rate term loan	1.33-1.42	2022	USD	34,000	45,851	45,585	45,585
					<u>233,016</u>	<u>230,117</u>	<u>132,081</u>
Revolving credit facility							
Revolving credit facility	2.91	2022	SGD	13,120	17,693	17,693	17,693
					<u>959,406</u>	<u>954,084</u>	<u>677,378</u>

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

9. Deferred tax liabilities

	Group								
	At 1 January 2021 \$'000	Statement of profit or loss \$'000	Withholding tax paid \$'000	Translation difference \$'000	At 31 December 2021 \$'000	Statement of profit or loss \$'000	Withholdin g tax paid \$'000	Translation difference \$'000	At 31 December 2022 \$'000
	Investment properties	405,786	(3,618)	-	19,767	421,935	(78,105)	-	(32,582)
Loss allowance on receivables	(243)	(2,303)	-	(49)	(2,595)	(3,979)	-	508	(6,066)
Tax on undistributed profits	934	1,029	(1,001)	14	976	984	(969)	249	1,240
Others	135	25	-	(44)	116	106	-	(248)	(26)
	406,612	(4,867)	(1,001)	19,688	420,432	(80,994)	(969)	(32,073)	306,396

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.

10. Trade and other payables

	Group		Trust	
	As at 31 December 2022 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2022 S\$'000	As at 31 December 2021 S\$'000
<u>Non-current</u>				
Trade payables	1,023	1,061	-	-
Lease liabilities	402	559	-	-
Amount due to subsidiaries (non-trade, interest bearing)	-	-	42,880	53,109
	1,425	1,620	42,880	53,109
<u>Current</u>				
Trade payables-third parties	3,178	11,233	-	-
Trade payables-related parties	3,799	3,700	-	-
	6,977	14,933	-	-
Accrued operating expenses	2,130	1,215	1,430	402
Amounts due to subsidiaries (non-trade, interest free)	-	-	65,518	48,284
Amounts due to subsidiaries (non-trade, interest bearing)	-	-	8,590	-
Amounts due to related parties (non-trade)	5,846	5,265	5,577	5,042
Management fee payable to Trustee-Manager	3,119	-	3,119	-
Interest payables	1,746	2,470	155	721
Other payables	1,168	934	499	263
Construction cost payable to a third party	3,763	4,382	-	-
	24,749	29,199	84,888	54,712
Receipt in advance from tenants	879	1,385	-	-
Other taxes	892	875	562	103
	26,520	31,459	85,450	54,815

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

10. Trade and other payables (cont'd)

The amounts due to trade payables (related parties) relate to property management and commercial management fees payable and reimbursement of expenses in accordance with the property management and commercial management agreements.

The amounts due to related parties (non-trade) is unsecured, interest-free and repayable on demand. Included in the amounts are mainly relating to trustee and management fee payable to Trustee-Manager and advances from a beneficiary of the ultimate controlling party of the Trust. Advances from a beneficiary of the single largest controlling unitholder of the Trust are 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.

11. Loans from unitholders

The loans from unitholders are unsecured, interest free and are subordinated to bank loans and borrowings (Note 8).

12. Units in issue

	Group and Trust			
	As at 31 December 2022 Number of units ('000)	As at 31 December 2021 S\$'000	As at 31 December 2022 Number of units ('000)	As at 31 December 2021 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 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 31 December 2022 and 31 December 2021.

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

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

13. Other reserves

Note	Group		Trust	
	As at 31 December 2022 S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2022 S\$'000	As at 31 December 2021 S\$'000
Statutory surplus reserve (i)	680	674	-	-
Capital reserve (ii)	910,042	910,042	-	-
Foreign currency translation reserve (iii)	(86,519)	57,515	-	-
Accumulated losses	(412,658)	(121,611)	(181,365)	(127,651)
	411,545	846,620	(181,365)	(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.

(ii) Capital reserve

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

(iii) Foreign currency translation reserve comprises:

- (a) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Trust; and
- (b) the foreign exchange differences on loans to subsidiaries which form part of the Group's net investment in foreign operations.
- (c) The exchange rates for SGD/RMB, USD/SGD and SGD/HKD are as follows:

	30 June 2022	31 December 2022	31 December 2021
Month-end exchange rate SGD/RMB	4.8179	5.1554	4.7125
Month-end exchange rate USD/SGD	1.3905	1.3401	1.3486
Month-end exchange rate SGD/HKD	5.6436	5.8293	5.7819
Average exchange rate SGD/RMB	4.7507	4.8926	4.7893

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

14. Net Asset Value per unit

	Group		Trust	
	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
Net asset value per unit is based on:				
- Net assets (S\$'000)	679,105	1,113,671	86,195	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\$)	0.84	1.40	0.11	0.18

15. Finance costs

	6 months ended 31 December 2022 S\$'000	6 months ended 31 December 2021 S\$'000	12 months ended 31 December 2022 S\$'000	12 months ended 31 December 2021 S\$'000
Amortisation of capitalised borrowing costs	840	8,391	2,716	13,613
Interest expense	114	325	240	656
Interest expense on loans and borrowings	20,345	12,274	33,681	24,206
Interest expense on Right-Of-Use (ROU) assets	14	17	29	52
	21,313	21,007	36,666	38,527

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

16. Income tax expense

	6 months ended 31 December 2022 S\$'000	6 months ended 31 December 2021 S\$'000	12 months ended 31 December 2022 S\$'000	12 months ended 31 December 2021 S\$'000
Current income tax expense - PRC	2,411	3,053	5,440	6,610
Withholding tax expense	443	496	984	1,029
	2,854	3,549	6,424	7,639
Deferred tax expense/(credit) relating to origination and reversal of temporary differences	(69,577)	(11,750)	(81,978)	(5,896)
	(66,723)	(8,201)	(75,554)	1,743

17. Loss for the period/year

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

	6 months ended 31 December 2022 S\$'000	6 months ended 31 December 2021 S\$'000	12 months ended 31 December 2022 S\$'000	12 months ended 31 December 2021 S\$'000
Amoritisation of intangible assets	37	32	73	63
Audit fees paid/payable to auditors	169	254	445	486
Depreciation of plant and equipment	53	72	97	143
Facility agent and security agent fees	203	198	400	397
GST expenses	470	373	797	655
Investor relations	(52)	60	19	117
Loss allowance on receivables ⁽ⁱ⁾	5,973	6,545	17,331	9,212
Professional fees ⁽ⁱⁱ⁾	352	828	1,561	962
Stamp duty	18	-	117	-

⁽ⁱ⁾ Loss allowance on receivables is presented or included as property operating expenses. (Note 27)

⁽ⁱⁱ⁾ 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.

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

18. Earnings per unit

	Group			
	6 months ended 31 December 2022	6 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021
<u>Earnings per Unit ("EPU")</u>				
Weighted average number of Units in issue ('000)	801,939	783,982	797,055	781,648
Basic EPU (cents)	(27.30)	(6.61)	(34.55)	(6.26)
<u>Diluted EPU</u>				
Weighted average number of Units outstanding('000)	801,939	788,827	797,055	786,493
Diluted EPU (cents)	(27.30)	(6.57)	(34.55)	(6.22)

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

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

19. Distribution per unit

	Group			
	6 months ended 31 December 2022	6 months ended 31 December 2021	12 months ended 31 December 2022	9 months ended 31 December 2022
<u>Distribution per units ("DPU")</u>				
Number of Units issued and to be issued at end of period ('000)	804,473	794,014	804,473	794,014
Number of Units not entitled to distribution under Distribution Waiver ('000)	-	(82,441)	-	(82,441)
Number of Units entitled to distribution under Distribution Waiver ('000)	804,473	711,573	804,473	711,573
<u>Based on the number of Units in issue and to be issued at end of period ('000)</u>				
- With Distribution Waiver (cents)	N.A.(ii)	2.24	N.A.(ii)	5.22
- Without Distribution Waiver (cents)	N.A.(ii)	2.01	N.A.(ii)	4.67
<u>Annualised distribution yield (%)</u>				
-Based on Offering price of S\$0.80:				
-With Distribution Waiver	N.A.(ii)	5.55	N.A.(ii)	6.53
-Without Distribution Waiver	N.A.(ii)	4.98	N.A.(ii)	5.84
-Based on closing price ⁽ⁱ⁾				
-With Distribution Waiver	N.A.(ii)	12.01	N.A.(ii)	14.11
-Without Distribution Waiver	N.A.(ii)	10.76	N.A.(ii)	12.63

i) 2H2022 is based on closing price of S\$0.29 per unit as at 31 December 2022.
2H2021 is based on closing price of S\$0.37 per unit as at 31 December 2021.

(ii) Not applicable as no distribution is declared. 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.

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

20. Distribution

	Group			
	6 months ended 31 December 2022 S\$'000	6 months ended 31 December 2021 S\$'000	12 months ended 31 December 2022 S\$'000	12 months ended 31 December 2021 S\$'000
Loss for the period/year	(221,508)	(51,837)	(277,948)	(48,915)
Distribution adjustments (Note A)	211,870	67,777	274,508	85,782
Amount available for distribution	(9,638)	15,940	(3,440)	36,867
Amount retained	-	-	-	-
Amount available for distribution to unitholders at end of the period	(9,638)	15,940	(3,440)	36,867
<u>Distribution adjustments</u>				
Amortisation of intangible assets	37	32	73	63
Amortisation of capitalised borrowing costs	840	8,391	2,716	13,613
Deferred income tax expense/(credit)	(69,577)	(11,750)	(81,978)	(5,896)
Depreciation of plant and equipment	51	72	95	143
Loss allowance on receivables	-	6,545	-	9,212
Loan repayment	(2,822)	(4,282)	(3,837)	(7,560)
Net change in fair value of derivative financial instruments	239	(140)	19	(909)
Net change in fair value of investment properties	297,891	63,876	361,923	62,844
Plant and equipment written off	-	-	8	-
Recognition of rental income on a straight line basis over the lease term	(818)	537	(1,246)	1,267
Transfer to statutory reserve	(6)	(120)	(6)	(120)
Trustee-manager's fees paid/payable in units	-	3,540	3,355	6,945
Unrealised exchange (gain)/loss	(14,009)	1,656	(6,705)	7,471
Other adjustments	44	(580)	91	(1,291)
	211,870	67,777	274,508	85,782

Note A: Included in other adjustments for year ended 31 December 2022 is an amount of S\$nil million (year ended 31 December 2021: S\$1.3 million) which is set aside for future repayment of interest and related costs of loan facilities.

21. Distribution paid to Unitholders

	Group	
	12 months ended 31 December 2022 S\$'000	12 months ended 31 December 2021 S\$'000
Tax-exempt income distribution: 1.84 cents per unit for the period from 1 July 2021 to 31 December 2021 (FY2021: 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 of rht period from 1 July 2021 to 31 December 2021 (FY2021: 0.17 cents per unit for the period 7 July 2020 to 31 December 2020)	2,846	998
Capital distribution: Nil cents per unit for the period from 1 January 2022 to 30 June 2022 (FY2021: 2.98 cents per unit for the period from 1 January 2021 to 30 June 2021)	-	20,928
	15,939	32,440

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

21. Distribution paid to Unitholders (cont'd)

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.

22. 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)

23. 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	
	12 months ended 31 December 2022	12 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021
	S\$'000															
External revenues:																
-Gross rental income	18,745	20,176	15,301	21,223	8,599	11,627	1,130	2,427	14,603	15,515	15,823	16,642	902	1,259	75,103	88,869
-Others	1,901	2,462	1,548	1,923	2,051	2,396	197	346	2,120	2,721	2,197	2,449	163	145	10,177	12,442
Gross revenue	20,646	22,638	16,849	23,146	10,650	14,023	1,327	2,773	16,723	18,236	18,020	19,091	1,065	1,404	85,280	101,311
Segment net property income	10,445	15,167	10,270	17,374	4,459	8,716	(1,064)	729	10,337	12,118	12,849	14,391	(92)	703	47,204	69,198
Finance income	743	788	461	444	766	707	41	65	394	226	104	123	16	22	2,525	2,375
Finance costs	4	7	-	-	4,099	4,859	-	-	5,112	5,235	5,318	5,776	175	254	14,708	16,131
Segment assets	524,536	643,661	370,780	472,969	289,410	394,369	45,146	64,972	353,551	447,498	445,317	550,342	17,536	21,842	2,046,276	2,595,653
Segment liabilities	225,312	258,767	179,321	204,917	229,700	269,396	45,340	51,535	240,810	270,079	287,030	336,113	23,305	26,356	1,230,818	1,417,163
Other segment items:																
Depreciation and amortisation	79	77	22	22	26	17	12	11	12	22	6	45	11	12	168	206
Net change in fair value of investment properties	75,390	10,385	73,165	27,759	75,454	6,582	15,516	3,468	61,706	8,131	59,098	6,210	1,594	309	361,923	62,844
Loss allowance on receivables	5,962	3,147	2,674	1,858	2,626	1,386	1,593	1,141	1,847	521	1,713	723	916	436	17,331	9,212
Capital expenditure	152	147	37	1,759	7	430	2	16	268	65	27	9	-	3	493	2,429

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

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

	Group	
	12 months ended 31 December 2022	12 months ended 31 December 2021
	S\$'000	S\$'000
Revenue		
Total revenue for reporting segments	85,280	101,311
Total loss before income tax		
Total loss for reportable segments before income tax	(344,233)	(16,614)
Unallocated amounts:		
- Other corporate expenses	(7,627)	(29,225)
- Elimination of intercompany transactions	(1,642)	(1,333)
Loss before income tax	(353,502)	(47,172)

	Group	
	As at 31 December 2022	As at 31 December 2021
	S\$'000	S\$'000
Assets		
Total assets for reportable segments	2,046,276	2,595,653
Other unallocated amounts	1,489	11,987
Elimination of intercompany balances	(87,843)	(67,623)
Consolidated assets	1,959,922	2,540,017
Liabilities		
Total liabilities for reportable segments	1,230,818	1,417,163
Other unallocated amounts	692,562	683,978
Elimination of intercompany balances	(642,563)	(674,795)
Consolidated liabilities	1,280,817	1,426,346

	Reportable segment totals	Unallocated amounts	Elimination of intercompany transactions	Consolidated totals
	S\$'000	S\$'000	S\$'000	S\$'000
Other material items for 12 months ended 31 December 2022				
Finance income	2,525	22	(1,642)	905
Finance costs	14,708	21,958	-	36,666
Other material items for 12 months ended 31 December 2021				
Finance income	2,375	29	(1,333)	1,071
Finance costs	16,131	22,396	-	38,527

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)

24. 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/year based on agreed terms between the parties.

	Group				
	6 months ended 31 December 2022 S\$'000	6 months ended 31 December 2021 S\$'000	12 months ended 31 December 2022 S\$'000	12 months ended 31 December 2021 S\$'000	
	Commercial management fees paid/payables to a related party				
	- management fee	426	500	895	1,016
- lease-up commission	-	55	-	55	
- reimbursement of expenses at cost	1,532	1,638	2,434	2,452	
Property management fees paid/payable to a related party					
- management fee	426	500	895	1,016	
- reimbursement of expenses at cost	5,481	4,563	7,940	8,385	
Lease rental received/recoverable from related parties					
- lease rental income ⁽¹⁾	2,282	7,981	5,107	18,149	
- reimbursement of expenses at cost	455	1,033	880	1,974	
Lease rental paid/payable	32	31	66	63	
Other revenue from related parties	79	266	153	766	
Other property operating expenses paid/payable to related parties	34	177	70	285	
Advances from a beneficiary of the ultimate controlling party of the Trust	-	210	-	2,460	
Interest free loans from shareholders	6,533	-	20,493	-	
Advances from related parties	48	30	172	62	

⁽¹⁾ Included in this amount was rental rebate (excluding the straight-line basis over the term of the lease) of S\$nil (FY2021: S\$42,000) for FY2022 which has been deducted against the lease rental income.

During FY2022, the Group waived charges amounting to S\$1,971,000 (FY2021: S\$1,094,000) for late payment of lease rental from related parties in the ordinary course of business for the 9-month period from 1 January 2022 to 30 September 2022 (FY2021: 1 January 2021 to 31 December 2021). The late payment charges amounting to S\$719,000 for the last 3-month period from 1 October 2022 to 31 December 2022 were not waived and approved by the Board of directors.

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

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

	Carrying amount				Fair value			
	Financial assets at amortised cost S\$'000	FVTPL S\$'000	Other financial liabilities S\$'000	Total carrying amount S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group								
As at 31 December 2022								
Financial assets not measured at fair value								
Trade and other receivables	3,172	-	-	3,172	-	-	-	-
Cash and cash equivalents	98,100	-	-	98,100	-	-	-	-
	101,272	-	-	101,272	-	-	-	-
Financial assets measured at fair value								
Financial derivative assets	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	-	-	26,174	26,174	-	-	-	-
Loans from shareholders	-	-	20,493	20,493	-	-	-	-
Security deposits ⁽¹⁾	-	-	14,405	14,405	-	-	-	-
Loans and borrowings	-	-	910,491	910,491	-	916,602	-	916,602
	-	-	971,563	971,563	-	916,602	-	916,602
Financial liabilities measured at fair value								
Financial derivative liabilities	-	-	-	-	-	-	-	-

	Carrying amount				Fair value			
	Financial assets at amortised cost S\$'000	FVTPL S\$'000	Other financial liabilities S\$'000	Total carrying amount S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'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 ⁽¹⁾	-	-	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	-	21	-	21	-	21	-	21

(1) The breakdown of the carrying amount of securities as follow: -

	FY2022 S\$'000	FY2021 S\$'000
Group		
Third parties	14,403	16,499
Related parties	2	3
Master Lessee	-	860
	14,405	17,362

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

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

	Carrying amount				Fair value			
	Financial assets at amortised cost S\$'000	FVTPL S\$'000	Other financial liabilities S\$'000	Total carrying amount S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Trust								
As at 31 December 2022								
Financial assets not measured at fair value								
Trade and other receivables	467	-	-	467	-	-	-	-
Cash and cash equivalents	1,473	-	-	1,473	-	-	-	-
	1,940	-	-	1,940	-	-	-	-
Financial assets measured at fair value								
Financial derivative assets	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	-	-	127,768	127,768	-	-	-	-
Loans from shareholders	-	-	20,493	20,493	-	-	-	-
Loans and borrowings	-	-	660,676	660,676	-	660,896	-	660,896
	-	-	808,937	808,937	-	660,896	-	660,896
Financial liabilities measured at fair value								
Financial derivative liabilities	-	-	-	-	-	-	-	-

	Carrying amount				Fair value			
	Financial assets at amortised cost S\$'000	FVTPL S\$'000	Other financial liabilities S\$'000	Total carrying amount S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'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	-	-	-	-
Security deposits	-	-	-	-	-	-	-	-
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

26. Contingent Liabilities (Unsecured) – the Group and the Trust

As at 31 December 2022, there were litigations and claims against the Group and the Trust for disputed contracts with values of approximately S\$1.8 million (31 December 2021: Nil) and S\$0.6 million (31 December 2021: Nil) respectively in relation to construction contracts, lease agreements and a consultancy agreement. The Group and the Trust do not consider the litigations and claims have any merit and have contested or will contest these claims. No provision has been made in the financial statements as the management does not consider that there is any probable loss.

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

27. Reclassification of Comparative Figures

Loss allowance on receivables has been reclassified to property operating expenses for consistency with the current year presentation. This reclassification had no effect on the profit of the year.

	As previously reported	Debit / (Credit)	As reported
	S\$'000	S\$'000	S\$'000
Property operating expenses	13,100	9,212	22,312
Loss allowance	<u>9,212</u>	<u>(9,212)</u>	<u>-</u>

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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\$547.8 million as at 31 December 2022 compared to 31 December 2021. The decrease in fair value of the investment properties as at 31 December 2022 compared to 31 December 2021 of S\$374.1 million is primarily due to the general decline in market performance and rental rates, lower passing rent, lower projected growth rate in rent, negative reversion in rental rate from some leases contracted in 2022, and an increase in vacancy rates. The decrease in fair value of the investment properties as at 31 December 2022 is also contributed by foreign exchange due to weakening of Renminbi (RMB) against Singapore dollars of S\$173.7 million as the investment properties are denominated in RMB.

B. Subsidiaries (Trust)

The decrease is due to the capital reduction in Foshan Dasin Commercial Management Co., Ltd related to Shunde Metro Mall of S\$3.7 million (RMB18.7 million) (31 December 2021: S\$nil) and the Trust recognising a net unrealised foreign exchange loss of S\$14.9 million in FY2022, relating to the USD-denominated and RMB denominated loans extended to the subsidiaries as at 31 December 2022.

C. Deferred Tax Liabilities

Deferred tax liabilities decreased by S\$114.0 million as at 31 December 2022 is mainly attributable to write back of deferred tax liability of S\$86.6 million arising from the fair value loss on the investment properties, the unrealised exchange loss of S\$29.6 million from the weakening of RMB against SGD for the RMB-denominated assets and the S\$3.5 million arising from the changes in loss allowance on receivables.

D. Revenue

(i) Breakdown of revenue for the six-month period ended 31 December 2022 ("2H2022") vs 2H2021

	6 months ended 31 December 2022	6 months ended 31 December 2021	Change	6 months ended 31 December 2022	6 months ended 31 December 2021	Change
	RMB'000	RMB'000	%	S\$'000	S\$'000	%
Revenue:						
Shiqi Metro Mall	49,516	53,114	(7)	9,806	11,219	(13)
Xiaolan Metro Mall	30,815	53,028	(42)	5,983	11,206	(47)
Ocean Metro Mall	23,863	33,470	(29)	4,705	7,067	(33)
Dasin E-Colour	1,746	6,118	(71)	328	1,294	(75)
Doumen Metro Mall	39,628	43,292	(8)	7,842	9,142	(14)
Shunde Metro Mall	42,796	44,312	(3)	8,470	9,362	(10)
Tanbei Metro Mall	2,408	3,242	(26)	475	685	(31)
	190,772	236,576	(19)	37,609	49,975	(25)

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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 FY2022 vs FY2021

	12 months ended 31 December 2022 RMB'000	12 months ended 31 December 2021 RMB'000	Change %	12 months ended 31 December 2022 S\$'000	12 months ended 31 December 2021 S\$'000	Change %
Revenue:						
Shiqi Metro Mall	101,013	108,419	(7)	20,646	22,638	(9)
Xiaolan Metro Mall	82,436	110,852	(26)	16,849	23,146	(27)
Ocean Metro Mall	52,106	67,160	(22)	10,650	14,023	(24)
Dasin E-Colour	6,492	13,281	(51)	1,327	2,773	(52)
Doumen Metro Mall	81,819	87,337	(6)	16,723	18,236	(8)
Shunde Metro Mall	88,165	91,432	(4)	18,020	19,091	(6)
Tanbei Metro Mall	5,211	6,724	(23)	1,065	1,404	(24)
	417,242	485,205	(14)	85,280	101,311	(16)

(iii) Breakdown of revenue before adjustment for straight-lining basis over the lease term (SLA) and after adjustment for SLA for FY2022 vs FY2021

	12 months ended 31 December 2022			12 months ended 31 December 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	20,606	40	20,646	23,089	(451)	22,638
Xiaolan Metro Mall	16,847	2	16,849	23,797	(651)	23,146
Ocean Metro Mall	10,924	(274)	10,650	14,244	(221)	14,023
Dasin E-Colour	1,549	(222)	1,327	2,856	(83)	2,773
Doumen Metro Mall	16,199	524	16,723	18,721	(485)	18,236
Shunde Metro Mall	16,834	1,186	18,020	18,496	595	19,091
Tanbei Metro Mall	1,075	(10)	1,065	1,375	29	1,404
	84,034	1,246	85,280	102,578	(1,267)	101,311

Revenue of S\$85.3 million for FY2022 was lower than revenue of S\$101.3 million for FY2021 by approximately S\$16.0 million or 16% 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\$4.8 million (RMB23.4 million) for FY2022 (FY2021: S\$1.4 million (RMB7 million)) were provided. This resulted in lower revenue contribution from all the properties. In addition, the lower revenue was also resulted from derecognition of revenue arising from Carrefour (Ocean Metro Mall) and master leases (Xiaolan Metro Mall and Dasin E-Colour) totaling to approximately S\$6.3 million in year 2022 in accordance with IFRS 16 Leases. The revenue amounts derecognized for Carrefour, Xiaolan Metro Mall and Dasin E-Colour are S\$0.8 million, S\$4.8 million and S\$0.7 million respectively.

Revenue before adjustment for straight-lining basis over the lease term (non-cash) for all the malls for FY2022 was lower by approximately S\$18.6 million or 18.1%, compared to those of FY2021, owing to the similar reasons as mentioned above.

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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. Property operating expenses

	12 months ended 31 December 2022 S\$'000	12 months ended 31 December 2021 S\$'000	% Change
Property related tax	6,629	7,794	(15)
Property management and commercial management fees	1,814	2,006	(10)
Advertising and promotion	1,335	1,678	(20)
Cleaning expenses	2,516	2,925	(14)
Depreciation and amortisation	168	206	(18)
Loss allowance on receivables	17,332	9,212	88
Repair and maintenance	1,674	2,003	(16)
Staff and related costs	2,722	2,157	26
Utilities	3,299	3,075	7
Other operating expenses	587	1,057	(44)
Property operating expenses	38,076	32,113	19
Add back: Non-cash items	(17,500)	(9,418)	86
Adjusted property operating expenses	20,576	22,695	(9)

The total property operating expenses of FY2022 increased by 19% compared to FY2021, which mainly due to significant increase of impairment loss on trade receivables (+88%), while other property operating expenses are mainly reduced from -10% to -44%, as COVID restriction measures during the first half of 2022 impacted the shopping mall operations and operation managers implemented cost savings measures.

After add back the impairment loss on receivables, the adjusted property operating expenses FY2022 decreased only 9% compare to that of FY2021.

F. Net property income

(i) Breakdown of net property income for 2H2022 vs 2H2021

	6 months ended 31 December 2022 RMB'000	6 months ended 31 December 2021 RMB'000	Change %	6 months ended 31 December 2022 S\$'000	6 months ended 31 December 2021 S\$'000	Change %
Revenue:						
Shiqi Metro Mall	25,142	29,582	(15)	4,980	6,277	(21)
Xiaolan Metro Mall	22,679	36,670	(38)	4,467	7,765	(42)
Ocean Metro Mall	6,044	21,043	(71)	1,139	4,442	(74)
Dasin E-Colour	(2,028)	23	NM	(395)	13	NM
Doumen Metro Mall	22,755	26,230	(13)	4,481	5,551	(19)
Shunde Metro Mall	30,081	31,803	(5)	5,948	6,727	(12)
Tanbei Metro Mall	(331)	897	NM	(67)	193	NM
	104,342	146,248	(29)	20,553	30,968	(34)

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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. Net property income (cont'd)

(ii) Breakdown of net property income for FY2022 vs FY2021

	12 months ended 31 December 2022 RMB'000	12 months ended 31 December 2021 RMB'000	Change %	12 months ended 31 December 2022 S\$'000	12 months ended 31 December 2021 S\$'000	Change %
Revenue:						
Shiqi Metro Mall	51,104	72,639	(30)	10,445	15,167	(31)
Xiaolan Metro Mall	50,247	83,209	(40)	10,270	17,374	(41)
Ocean Metro Mall	21,816	41,743	(48)	4,459	8,716	(49)
Dasin E-Colour	(5,206)	3,491	NM	(1,064)	729	NM
Doumen Metro Mall	50,575	58,036	(13)	10,337	12,118	(15)
Shunde Metro Mall	62,865	68,922	(9)	12,849	14,391	(11)
Tanbei Metro Mall	(450)	3,367	NM	(92)	703	NM
	230,951	331,407	(30)	47,204	69,198	(32)

The net property income margin ("NPI margin") of the Group is 55.2% for FY2022 compared to FY2021 of 68.3%. This was primarily due to the loss allowance on receivables of \$17.3 million (31 December 2021: S\$9.2 million). Excluding the loss allowance on receivables, the NPI margin would have been 75.6% (31 December 2021: 77.4%)

G. 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 FY2022 decreased slightly by S\$0.5 million compared to FY2021 due to decrease in total assets.

H. Exchange gain / (loss)

Exchange gain for FY2022 of S\$6.8 million was mainly due to unrealised exchange gain of S\$4.4 million arising from the RMB denominated bank loans of RMB1,299.9 million due to weakening of the RMB against SGD; and unrealised exchange gain of S\$1.9 million from the strengthening 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.

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 FY2022 of S\$1.9 million was mainly due to lower amortisation of S\$10.9 million offsets by the increase in interest expense on bank borrowings of S\$9.5 million. The amortisation cost 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 FY2021, with no such amortisation in FY2022.

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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)

K. Income tax (expense) / credit

Income tax credit was S\$75.5 million in FY2022 compared to income tax expense of S\$1.7 million in FY2021 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\$5.4 million for FY2022 compared to S\$6.6 million for FY2021. 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\$1.0 million for FY2022 compared to FY2021.
- (c) Write back of deferred tax liability to statement of profit or loss as explained in Note 1C on page 41.

2. Analysis of consolidated statement of cash flows

- (i) Net cash generated from operating activities for FY2022 remained positive and stable at S\$36.7 million compared to S\$42.7 million in FY2021.
- (ii) Net cash generated from investing activities for FY2022 was S\$1.7 million compared to net cash used of S\$1.3 million in FY2021. The increase in cashflow of S\$3.0 million was due to lesser capital expenditure of S\$1.9 million spent on asset enhancement initiative ("AEI") for investment properties and higher interest received of S\$1.5 million and offset by S\$0.4 million in payment of right-of-use asset.
- (iii) Net cash used in financing activities for FY2022 was S\$81.3 million. This was due to repayment of borrowings of S\$20.8 million, payment of finance costs of S\$33.7 million, payment of distributions to unitholders of S\$15.9 million and the increase in cash pledged of \$31.0 million. The increase in net cash used in financing activities is offset by the proceeds from interest free loan from unitholders of S\$20.5 million.

Net cash used in financing activities for FY2021 was S\$56.4 million. This was due to repayment of bank borrowings of S\$20.3 million, payment of finance costs of S\$25.7 million, payment of distributions to unitholders of S\$32.4 million and payment of loan transaction costs of S\$9.4 million, offset by the proceeds from borrowings of \$17.7 million and withdrawal of cash pledged of S\$13.9 million.

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.

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

Due to the impact of the Chinese government's zero-Covid policy, the national GDP growth was only 3.0% in 2022, and the government shifted away from the policy from December 2022. Other than in 2020 when the pandemic began, where the full-year GDP growth was 2.2%, China's 2022 GDP growth was the weakest since 1976¹.

However, China's economy is expected to recover in 2023 as the country reopens to the world. The national disposable income of urban residents increased 3.9%² while the national retail sales, a major indicator of economic growth, fell 0.2% in 2022 due to the impact of COVID-19. Domestic consumption is expected to rebound in 2023 with normal production and living order restored, and on-site consumption accelerating following new optimised pandemic prevention policies in China³.

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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 (cont'd)

During FY2022, Zhongshan City saw a 1.8% year-on-year increase in GDP and a 4.1% year-on-year growth in retail sales⁴. During the same period, Zhuhai City's GDP rose 4.2% year-on-year but its retail sales decreased 0.3% year-on-year⁵. Foshan City's GDP and retail sales also saw improvement, growing 4.5% and 1.0% year-on-year respectively⁶.

In March 2023, the US Federal Reserve had announced to raise its benchmark interest rate by another quarter of a percentage point, increasing the federal funds rate to a target range of 4.75% to 5%. This move marked the ninth consecutive rate rise in a process to tamp down high inflation that began in March 2022 and it is also the highest interest rate since 2007⁷, whereby a year ago interest rates were close to zero. The Trustee-Manager will continue managing interest rate volatility risks as part of their capital management strategy.

The primary source of revenue for the Trust is the Chinese Renminbi (RMB), while some loans are denominated in United States dollar (USD) / Hong Kong dollar (HKD). This means that changes in the exchange rates between SGD and USD / HKD and between SGD and RMB can impact the Trust's performance.

Notwithstanding the events as mentioned in Note 2.2 which indicate that material uncertainties exist that might cast significant doubt on the ability of the Group and the Trust to continue as going concerns, the Trustee-Manager has prepared the financial statements on a going concern basis, which assumes that the Group and the Trust are able to meet their respective obligations as and when they fall due within the next twelve months, as the Trustee-Manager will continue to negotiate the terms of debt restructuring with the lenders with the assistance of FTI Consulting, and explore the available options in relation to the restructuring exercise with the lenders. Such options include but are not limited to, (i) engaging CBRE and JLL to dispose retail malls of the Trust within 24-month timeframe in an orderly and structured manner; and (ii) engaging FTI and JLL or any such other parties to search for other potential strategic investors.

The Trustee-Manager acknowledges that there are material uncertainties over the ability of the Group and the Trust to remit funds out of China for payment of interest expenses of Offshore Facility 1 and Offshore Facility 3 and essential offshore operating business expenses, as and when they fall due within the next twelve months.

If for any reason the Group and the Trust are unable to continue as a going concern, there could be an impact on the classification of assets and liabilities and the ability to realise assets at their recognised values, and to extinguish liabilities in the normal course of business at the amounts stated in the financial statements. The liabilities of the Group and the Trust disclosed in the financial statements are estimated and computed based on the latest information available to the Trust at the issuance of the financial statements and may be subject to revisions with passage of time and upon material information becoming available to the Trust. In addition, the Group and the Trust may have to provide for further liabilities that may arise. It should be noted that their full consequences and implications of the events disclosed above cannot necessarily be appreciated or assessed at the date of issuance of this announcement.

¹ Financial Times, <https://www.ft.com/content/ebe63075-32c1-46a0-8d49-570dfb654547>

² National Bureau of Statistics of China, http://www.stats.gov.cn/english/PressRelease/202301/t20230118_1892303.html

³ Global Times, <https://www.globaltimes.cn/page/202301/1283945.shtml>

⁴ Zhongshan Municipal Bureau of Statistics.

⁵ Zhuhai Municipal Bureau of Statistics.

⁶ Statistics Bureau of Foshan.

⁷ The Guardian, <https://www.theguardian.com/business/2023/mar/22/interest-rate-rise-us-federal-reserve-banking-turmoil>

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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 31 December 2022 and thereafter, for so long as any condition in Rule 705(2) is met.

6. Distribution

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

The Trust is not able to declare distributions as the Group and the Trust have defaulted on the loans in the amount of approximately S\$910 million as announced on 2 and 19 January 2023. Please refer to note 8 on loans and borrowings of the 'unaudited condensed interim consolidated financial statements' for details.

The loan agreements for the IPO Offshore Facility (Offshore Facility 1), Doumen Offshore Facility (Offshore Facility 2) and Shunde Offshore Facility (Offshore Facility 3) contain provisions to the effect that the Trust is entitled to declare distributions only if there is no default under the loan agreements, unless the declaration of the distributions is to facilitate the payment of any indebtedness under the loan agreements.

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

Yes.

Name of distribution	Distribution for the period from 1 July 2021 to 31 December 2021
Distribution type	(a) Capital distribution
Distribution type	(b) Tax-exempt income distribution
Distribution rate	(a) Capital distribution: 0.4 cents per unit (b) Tax-exempt income distribution: 1.84 cents per unit
Tax rate	<u>Capital distribution</u> Capital distribution represents a return of capital to Uniholders for Singapore income tax purpose and is therefore not subject to income tax. For Uniholders who are liable to Singapore income tax on profits from sale of DRT units, the amount of capital distribution will be applied to reduce the cost base of their DRT units for Singapore income tax purposes. <u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from Singapore income tax in the hand of all Uniholders. Tax-exempt income related to one-tier dividend income received by DRT.

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7. Interested person transactions

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

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

8. Breakdown of revenue and net income

	12 months ended 31 December 2022 S\$'000	12 months ended 31 December 2021 S\$'000	% Change
Revenue for first half year	47,671	51,336	(7)
Net (loss)/income for first half year	(56,440)	2,922	NM
Revenue for second half year	37,609	49,975	(25)
Net loss for second half year	(221,508)	(51,837)	NM

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

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

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

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

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

Dr. Kong Weipeng
Chairman and Non-Executive Director

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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)

Dr. Kong Weipeng
Chairman and Non-Executive Director
10 July 2023