



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)

UPDATE ON CHINA SUBSIDIARIES OF DASIN RETAIL TRUST

The Board of Directors (the "**Board**") of Dasin Retail Trust Management Pte. Ltd. ("**DRTM**" or the "**Trustee-Manager**"), as trustee-manager of Dasin Retail Trust ("**DRT**" or the "**Trust**"), refers to its announcements dated 18 July 2024, 4 and 7 August and 3 September 2024 on matters relating to the China subsidiaries of DRT (the "**China Subsidiaries**").

By way of background, Mr. Wang Peng ("**WP**"), the Acting Chief Executive Officer of DRTM, was registered on 23 July 2024 with Zhuhai City Market Supervisory Authority (珠海市市场监督管理局) (the "**Zhuhai Authority**") as the legal representative and executive director of Zhuhai Xinmingyang Investment Co., Ltd (珠海新名扬投资有限公司) ("**ZXI**") and Zhuhai Doumen Dasin Metro-Mall Commercial Management Co., Ltd.(珠海市斗门大信新都汇商业管理有限公司) (together with ZXI, the "**Doumen Metro Mall Subsidiaries**") in replacement of Mr. Zhang Zhongming ("**ZZM**"), the alternate director of Mr. Zhang Zhencheng ("**ZZC**" and together with ZZM, the "**Minority Directors**").

A notice of hearing for revocation of registration (撤销登记听证告知书) dated 30 August 2024 (the "**Revocation Hearing Notice**") has been issued by the Zhuhai Authority as disclosed in the Trustee-Manager's announcement dated 3 September 2024.

The Zhuhai Authority has subsequently issued letters (the "**Decision Letters**") dated 24 September 2024 to each of Doumen Metro Mall Subsidiaries stating, among others that:

- (a) it was not disclosed to the Zhuhai Authority that the company seals and operating licences of the Doumen Metro Mall Subsidiary were in the control of ZZM;
- (b) it was published in the newspapers that the company seal of the Doumen Metro Mall Subsidiary was lost;
- (c) the above actions of the Doumen Metro Mall Subsidiary are in contravention of the applicable law of the People's Republic of China and the applicable law provides that approval that has been obtained improperly should be cancelled;
- (d) the Zhuhai Authority had issued to the Doumen Metro Mall Subsidiary and the interested persons the Revocation Hearing Notice;
- (e) WP had on 6 September 2024 issued to the Zhuhai Authority a request for a hearing which was subsequently withdrawn by WP on 23 September 2024;
- (f) the Zhuhai Authority had decided to cancel:
 - (i) the decision made by the Zhuhai Authority on 23 July 2024 for registration of the change of legal representative of the Doumen Metro Mall Subsidiary from ZZM to WP; and

- (ii) the changes to the particulars of the Doumen Metro Mall Subsidiary filed with the Zhuhai Authority on 23 July 2024; and
- (g) In the event that there is disagreement with the decision of the Zhuhai Authority, an application for administrative review can be made to the Zhuhai Municipal Government (珠海市人民政府) within 60 days of the receipt of the Decision Letter or an administrative suit can be initiated with the Zhuhai City Golden Bay Area Court (珠海市金湾区人民法院) within six months.

As previously announced on 4 August and 3 September 2024, the Majority Directors are of the opinion that there are severe internal control and corporate governance concerns if ZZM is not removed as legal representative and executive director of the China Subsidiaries.

The grounds for the concerns include, among others:

- (a) the lack of co-operation of the relevant Chinese personnel in providing operating and financial information to the Board and management of the Trustee-Manager for preparation of quarterly condensed consolidated financial statements of the Trust as at 31 December 2023 in compliance with Listing Rules 705(1) and 705(2) of the Mainboard Rules of Singapore Exchange Securities Trading Limited, as well as the valuation of the retail malls of the Trust as at 31 December 2023;
- (b) the lack of progress in relation to the collection of the long outstanding receivables from associates of the Minority Directors amounting to S\$14,322,002 as at 31 December 2022;
- (c) non-compliance with applicable payment approval policy;
- (d) the receipt of a letter from a Chinese bank requesting for a reasonable explanation for nine fund transfers amounting to RMB4,821,500 from 16 April 2024 to 19 April 2024 from one of the Doumen Metro Mall Subsidiary to external parties which the Chinese bank suspected may have breached the third-party account supervision agreement entered into with the Chinese bank on 26 August 2019; and
- (e) the receipt of a reminder letter from a Chinese bank requesting that a remediation plan in relation to the occupancy rate of Doumen Metro Mall being less than the required occupancy rate because of the non-payment of rental and management fees for an extended period by a tenant related to the Minority Directors engaging in the restaurant business in Doumen Metro Mall.

To date, the Minority Directors have disagreed with the Majority Directors and have resisted the resolutions passed by the Board to replace ZZM as legal representative and executive director of the China Subsidiaries.

The Trustee-Manager shall be consulting with its advisers on the implications of the Decision Letters and the further steps to be taken to effect the replacement of ZZM as legal representative and executive director of the China Subsidiaries.

The Majority Directors are of the view that the Minority Directors are conflicted in matters referred to in this announcement. Accordingly, this announcement has not been reviewed by the Minority Directors prior to its publication and the opinion of the Majority Directors set out in this announcement should not be taken to represent the views of the Minority Directors.

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

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

By Order of the Board

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

Dr. Kong Weipeng
Chairman and Non-Executive Director
7 October 2024

IMPORTANT NOTICE

The value of the units of Dasin Retail Trust (the “**Units**”) and the income derived from them may fall as well as 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.

Investors have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that unitholders of Dasin Retail Trust may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Dasin Retail Trust is not necessarily indicative of the future performance of Dasin Retail Trust.

This announcement may contain forward-looking statements that involve 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 other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager’s current view on future events.