



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 PROGRESS OF CONSENSUAL RESTRUCTURING EXERCISE

The Board of Directors (the “**Board**”) of Dasin Retail Trust Management Pte. Ltd. (the “**Trustee-Manager**”), as trustee-manager of Dasin Retail Trust (the “**Trust**”), refers to the following:

- (a) its announcement dated 29 April 2023 in relation to the application by the Trust to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for further extensions of time wherein the Board had also provided an update on the restructuring exercise; and
- (b) its announcements dated 27 May 2023 and 4 July 2023 in relation to the Originating Claim commenced on 25 May 2023 in the Singapore High Court by Mr. Zhang Zhencheng (“**ZZC**”), a non-executive director and a shareholder of the Trustee-Manager as well as a substantial unitholder of the Trust, against Mr. Tan Huay Lim (“**THL**”), the Lead Independent Director of the Trustee-Manager and Chairman of the Audit and Risk Committee, and the Trustee-Manager.

There was a meeting with the reputable Chinese entity on 6 June 2023 in relation to the progression of the MOU which was attended by FTI Consulting (Singapore) Pte Ltd (“**FTI**”), representatives of the Lenders, GSUM, major unitholder of the Trust, Sino-Ocean Capital, most members of the Board and the management of the Trustee-Manager (the “**Management**”). Based on the minutes provided by FTI:

- (1) A representative of the reputable Chinese entity indicated that while the reputable Chinese entity adopts a serious attitude towards the MOU, the terms of the MOU are subject to both internal approval and approval from the relevant authorities in China;
- (2) Further, the representative indicated that internal approval of the reputable Chinese entity is subject to (a) satisfactory due diligence results, (b) a suitable debt solution has been reached with all Lenders and (c) the injected assets are approved by the Trustee-Manager and other relevant authorities, including SGX-ST.

The Board wishes to add that it has from 15 to 27 June 2023 received various letters with substantially similar content in relation to the Trust’s ongoing restructuring exercise from the Lenders under Offshore Facility 1, Offshore Facility 2, Offshore Facility 3, Onshore Facility 1 (the facilities are as defined in the announcement dated 2 January 2023) and the onshore syndicated term loan facilities of up to the equivalent of RMB478 million in aggregate to finance the acquisition of Shunde Metro Mall and Tanbei Metro Mall (“**Onshore Facility 3**”):

- (1) The Lenders under Offshore Facility 1, Onshore Facility 1, Offshore Facility 2 and Onshore Facility 3 have expressed concern with the ongoing litigation against THL and the impact it will have on the Board and the Management, hence, in order not to disrupt the effective functioning of the Trust, have urged the Board to resolve its differences

without further delay. The Lenders under Offshore Facility 3 have expressed great displeasure with the commencement of litigation against THL as they feel that this action has a destabilising effect on the Trustee-Manager's efforts at restructuring and are requesting that this litigation be discontinued;

- (2) The Lenders also made reference to the meeting attended by the Chief Executive Officer ("**CEO**") of the Trustee-Manager together with Mr. Zhang Zhongming ("**ZZM**"), representative of the major unitholder of the Trust, at 10:30am on Friday, 26 May 2023 whereat the Lenders were informed of the intention to terminate the services of FTI. The Lenders have requested confirmation from the Board that there is no basis for terminating FTI, and that FTI will continue in its current role as independent financial advisor in the ongoing restructuring exercise;
- (3) The Lenders have requested the Board to confirm the appointment of property marketing agents, CBRE (Shanghai) Consulting Management Co., Ltd Guangzhou branch ("**CBRE**") and Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLL**");
- (4) The Lenders have requested the Board to confirm the appointment of FTI as monitoring accountant ("**MA**");
- (5) The Lenders have requested the Board to instruct the management of the Trustee-Manager to cooperate fully with the MA, and to permit the MA to take custody of corporate seals and electronic banking tokens to all operating accounts;
- (6) The Lenders have requested the Board to procure the full cooperation of the Management to support the negotiation of the MOU with the reputable Chinese entity;
- (7) It has come to the knowledge of the Lenders that the CEO, having participated actively in debating the debt restructuring term sheet, has yet to avail the finalised version of the said term sheet to the Board. Some Lenders would like the Board to first ratify the finalised restructuring term sheet (dated 22 May 2023) before the Lenders seek their management's approval for the same. The Board has also been informed that certain Lenders under Offshore Facility 2 believing that the finalised restructuring term sheet (dated 22 May 2023) has been ratified by the Board, have already put the restructuring term sheet through their respective internal channels for approval are shocked. The Lenders under Offshore Facility 2 have requested the Board to confirm that the finalised debt restructuring term sheet is acceptable to the Trustee-Manager;
- (8) The Lenders are concerned whether the CEO is acting in the interests of all stakeholders including the Lenders and if conflicts of interest are being managed appropriately. The Lenders have requested the Board to review the conduct of the CEO and take such appropriate action as the Board deems fit and necessary to ensure that the interest of secured Lenders are safeguarded.

During a conference call on 27 June 2023 with the Lenders, the Board members conveyed to the Lenders their response to the above points raised by the Lenders. Subsequently, on 3 July and 5 July 2023, five individual Board members provided written response to the Lenders.

During a meeting on 28 June 2023 attended by the reputable Chinese entity, the Lenders, members of the Board and the Management: (a) a representative of the major unitholder informed the reputable Chinese entity of his personal view that the transactions contemplated under the MOU are illegal under Chinese law; and (b) the reputable Chinese entity expressed its dissatisfaction at recent actions taken by ZZC, which were detrimental to the MOU, and stated that it will not be proceeding further on the MOU and will be ceasing negotiations on the same. The term sheet 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.

On 30 June 2023, FTI met with all Lenders at their request following the 28 June 2023 meeting with the reputable Chinese entity. At the meeting, the Lenders expressed disappointment about the outcome of the 28 June 2023 meeting. The Lenders discussed and considered various options available and indicated that they would await a formal response from the Board

in relation to their aforesaid comments above before embarking on any further discussions in connection with the debt restructuring exercise. As stated above, five individual Board members had provided written response on 3 July and 5 July 2023.

The Board will continue to explore the available options in relation to its restructuring exercise with the Lenders.

The Trustee-Manager will make further announcements on the SGXNET in the event there are any material developments which warrant disclosure, in compliance with its obligations under the Listing Manual.

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, banks managers, solicitors, accountants or other professional advisers.

On behalf 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

6 July 2023