



DASIN RETAIL TRUST
大信商用信托

Unleashed Unbounded Unwavered

Annual Report 2019



CONTENTS

OVERVIEW

- 01 About Dasin Retail Trust
- 02 Portfolio at a Glance
- 04 Where We Do It
- 06 Unleashed to Power Ahead
- 08 Letter to Unitholders

PERFORMANCE REVIEW

- 16 Unbounded and Ready with Strategic Leverage
- 18 Financial Review
- 22 Operations Review
- 28 Key Properties
- 38 Market Review
- 42 Unwavering in Partnership for Growth
- 44 Right of First Refusal Properties from Sponsor

GOVERNANCE, RISK & SUSTAINABILITY

- 45 Trust Structure
- 46 Board of Directors
- 48 Senior Management
- 50 Corporate Governance
- 73 Enterprise Risk Management
- 76 Investor Relations
- 78 Sustainability Report
- 96 Corporate Directory

FINANCIALS & ADDITIONAL INFORMATION

- 97 Financial Statements and Other Information
- 179 Statistics of Unitholders
- 182 Additional Information

2019 was a year of steady performance for Dasin Retail Trust marked by intrinsic organic growth, inorganic expansion, stable portfolio occupancy and distribution yield. At the same time, we achieved a major corporate milestone with the Trust's maiden acquisition, Doumen Metro Mall in Zhuhai City, since our listing on SGX-ST in 2017. True to our vision for expansion and diversification, this sparks great possibilities and extended our presence beyond Zhongshan City.



Visit our website
www.dasintrust.com

About Dasin Retail Trust



Dasin Retail Trust (the "Trust") is the only China retail property trust listed on SGX-ST providing direct exposure to the Guangdong-Hong Kong-Macau Greater Bay Area ("Greater Bay Area").

Listed on the Mainboard of Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 January 2017, Dasin Retail Trust (the "Trust") is the only China retail property trust listed on SGX-ST providing direct exposure to the Guangdong-Hong Kong-Macau Greater Bay Area ("Greater Bay Area").

The Trust's mandate is to invest in, own or develop land, uncompleted developments and income-producing real estate in Greater China (comprising PRC, Hong Kong and Macau), used primarily for retail purposes, as well as real estate-related assets, with a focus on retail malls.

As at 31 December 2019, the Trust's portfolio comprises five retail malls located in Zhongshan and Zhuhai cities in Guangdong, PRC, valued at approximately RMB9.5 billion (S\$1.8 billion). These properties host a tenant base of over 500 local and international retailers.

Dasin Retail Trust is managed by Dasin Retail Trust Management Pte. Ltd. in its capacity as the Trustee-Manager ("Trustee-Manager"). The Trustee-Manager strives to provide Unitholders of Dasin Retail Trust ("Unitholders") with an attractive rate of return on their investment through regular and stable

distributions and to achieve long-term sustainable growth in distribution per Unit, while maintaining an appropriate capital structure.

The Sponsor of Dasin Retail Trust is Zhongshan Dasin Real Estate Co., Ltd (中山市大信置业有限公司) (the "Sponsor"), one of the leading real estate developers in Zhongshan City, Guangdong Province, with a strong track record as a retail mall operator.

Note:

Any discrepancies in the table and charts between the listed figures and total thereof are due to rounding.

OVERVIEW

Portfolio at a Glance

Dasin Retail Trust portfolio comprises five retail malls with a diversified tenant mix and offerings located in Zhongshan and Zhuhai cities within the Greater Bay Area.

1. Shiqi Metro Mall



2. Xiaolan Metro Mall



3. Ocean Metro Mall



4. Dasin E-Colour



5. Doumen Metro Mall



1 SHIQI METRO MALL

Shiqi Metro Mall, with over 15 years of history, is the first shopping mall in Zhongshan. It is a mid-end positioned regional mall with a broad trade mix targeting primarily mid-income households in the core urban area of Zhongshan. Shiqi Metro Mall's anchor tenants include RT Mart, Superior City Department Store and Jane Eyre Furniture Mall and other tenants such as Watsons, KFC, Starbucks and Xin Xuan Restaurant. Due to its mature position in the market as well as its location in the core urban area of the city, Shiqi Metro Mall has always enjoyed a high occupancy rate and has built a strong brand awareness among local residents in the city.

Shiqi Metro Mall is centrally located in the downtown area of the Shiqi District. In addition to the convenient road network, the shopping mall is also well served by many local public bus routes, including one which stops directly in front of Shiqi Metro Mall. Shiqi Metro Mall also provides free shuttle bus services to surrounding communities as well as to other shopping malls.

OCCUPANCY RATE

98.5%

GROSS REVENUE FY2019

\$25.3M

NET PROPERTY INCOME FY2019

\$20.3M

VALUATION

\$578.2M

2 XIAOLAN METRO MALL

Xiaolan Metro Mall is located in Xiaolan Town, one of the largest suburban towns in terms of residential population. The shopping mall enjoys convenient transportation and is well served by many local public bus routes, including one which stops directly in front of Xiaolan Metro Mall. Some of its tenants include Chow Tai Fook, McDonald's, KFC and Pizza Hut.

Xiaolan Metro Mall is situated in the largest shopping district in Northern Zhongshan where there are several large-scale residential communities in the area. In addition, Xiaolan Metro Mall is in the vicinity of Xiaolan Town Government, Xiaolan Gymnasium and Zhongshan Xiaolan Middle School, which has more than 3,000 students and employees. In order to drive shoppers' traffic, the shopping mall also provides free shuttle bus services to surrounding communities and factories.

OCCUPANCY RATE

99.4%

GROSS REVENUE FY2019

\$25.5M

NET PROPERTY INCOME FY2019

\$21.3M

VALUATION

\$439.1M

3 OCEAN METRO MALL

Strategically located in the Eastern District within the core urban area of Zhongshan, Ocean Metro Mall is easily accessible via many local public bus routes in close proximity. Opened in December 2014, the mall is positioned as a mid- to high-end modern and experiential lifestyle destination offering comprehensive shopping experience including retail, dining and entertainment. Its spacious walkways and large atrium allows the mall to host a wide variety of promotional activities and events.

Ocean Metro Mall houses quality tenants such as Carrefour, Superior City Department Store, Top Party KTV, Win Fitness, Jinyi Cinema, Starbucks, McDonald's, Nike and Adidas. It also offers free shuttle bus services to other districts and towns, providing easy access for local residents to shop at Ocean Metro Mall.

Adjacent to Ocean Metro Mall is the Zhongshan Expo Centre with an area of 110,000 sqm, bringing additional visitor traffic to the mall.

OCCUPANCY RATE

98.6%

GROSS REVENUE FY2019

\$15.7M

NET PROPERTY INCOME FY2019

\$11.4M

VALUATION

\$348.6M

4 DASIN E-COLOUR

Situated opposite the University of Electronic Science and Technology of China (Zhongshan) Institute, Dasin E-Colour was originally a furniture mall which underwent asset enhancement initiative to transform it into a trendy shopping destination prior to the listing of Dasin Retail Trust. As a result of the convenience that it brings to the campus' 20,000-strong population, the institute's students and faculty members form the top customer segment of the mall.

Dasin E-Colour is positioned as a mid-end community mall providing fashionable retail outlets, popular F&B stores and entertainment facilities for its shoppers. In addition, seasonal activities on Valentine's Day, Christmas etc are organised during school holidays to attract footfall.

OCCUPANCY RATE

96.3%

GROSS REVENUE FY2019

\$3.2M

NET PROPERTY INCOME FY2019

\$2.3M

VALUATION

\$59.8M

5 DOUMEN METRO MALL

Doumen Metro Mall is a large-scale integrated shopping mall that provides a one-stop destination for leisure and entertainment, F&B and retail activities, and comprises two basement levels of car park space and six levels above ground.

Doumen district, where the shopping mall is located, is the second largest district in Zhuhai in terms of resident population. The district is located at the intersection of Zhuhai, Zhongshan and Jiangmen and within the core circle of Guangdong, Hong Kong and Macau.

Doumen Metro Mall is situated along Zhongxing Road, a main road with substantial traffic flow. Zhongxing Road is easily accessible via the Guangdong Western Coastal Expressway, which intersects the Jiangmen-Zhuhai Expressway near the Property. The strategic geographic location of the shopping mall makes it easily accessible to shoppers within its vicinity and from the surrounding areas, contributing to strong footfall.

OCCUPANCY RATE

99.0%

GROSS REVENUE FY2019⁽¹⁾

\$6.3M

NET PROPERTY INCOME FY2019⁽²⁾

\$4.7M

VALUATION

\$405.5M

(1) Doumen Metro Mall was acquired on 12 September 2019. This refers to revenue from 13 September 2019.

(2) This refers to the Net Property Income ("NPI") from 13 September 2019 to 31 December 2019.

OVERVIEW

Where We Do It

Planned as the central city within the Greater Bay Area, Zhongshan City is positioned to become a regional technology and R&D centre while Zhuhai City is to become the regional innovation centre and transport hub under the provincial government’s 2017-30 plan.

The Trust is expected to benefit positively from the rapid development of the Guangdong-Hong Kong-Macau Greater Bay Area.

The “development plan for the Guangdong-Hong Kong-Macau Greater Bay Area” released in February 2019 aims to fully leverage the combined advantages of Guangdong, Hong Kong and Macau into building a vibrant and extensive bay area that can compete with the first-rate megacities of the world.

Planned as the central city within the Greater Bay Area, Zhongshan is positioned to become a regional technology and R&D centre while Zhuhai City is to become the regional innovation centre and transport hub under the provincial government’s 2017-30 plan. Both cities are set to become regional transportation hubs linking the Greater Bay Area region and the west of Guangdong through the development of large-scale transportation infrastructures such as the Hong Kong-Zhuhai-Macau Bridge (completed in 2018), and the Shenzhen-Zhongshan Bridge, (expected to be completed by 2024).

The planned 15 intercity railway lines connecting the three cities of the Greater Bay Area will be completed and in operation by 2020. With that, commute within the Greater Bay Area will be shortened to meet the “one-hour traffic circle” goal which will bring about urban clustering in the area, that will to accelerate the development of Zhongshan and Zhuhai. With all these elements in place, Zhongshan City and Zhuhai City are set to experience unparalleled and growth opportunities.

1 Xiaolan Metro Mall



4 Ocean Metro Mall



5 Doumen Metro Mall



LEGEND

- Nansha Bridge
- Humen Bridge
- Zhongshan-Shenzhen River Taxi
- Shenzhen-Zhongshan Bridge (Under Construction)
- Hong Kong-Zhuhai-Macau Bridge
- Guangzhou-Zhuhai City Rail

MAIN HIGHWAY

- G4W Guangdong-Macau Highway
- S32 Western Coastal Highway
- G9411 Guangdong-Foshan Highway
- G94 Pearl River Delta Region Highway
- S26 Shen-Luo Highway



2 Shiqi Metro Mall



3 Dasin E-Colour



GUANGDONG — HONG KONG — MACAU GREATER BAY AREA

Unleashed to Power Ahead

One spark catalyses our charge forward. This year, we had the opportunity to acquire a prime asset, Doumen Metro Mall. Accessible and right at the heart of flourishing communities, this is our first established gateway to growth.

Doumen Metro Mall



AS AT 31 DECEMBER 2019

Net Lettable Area

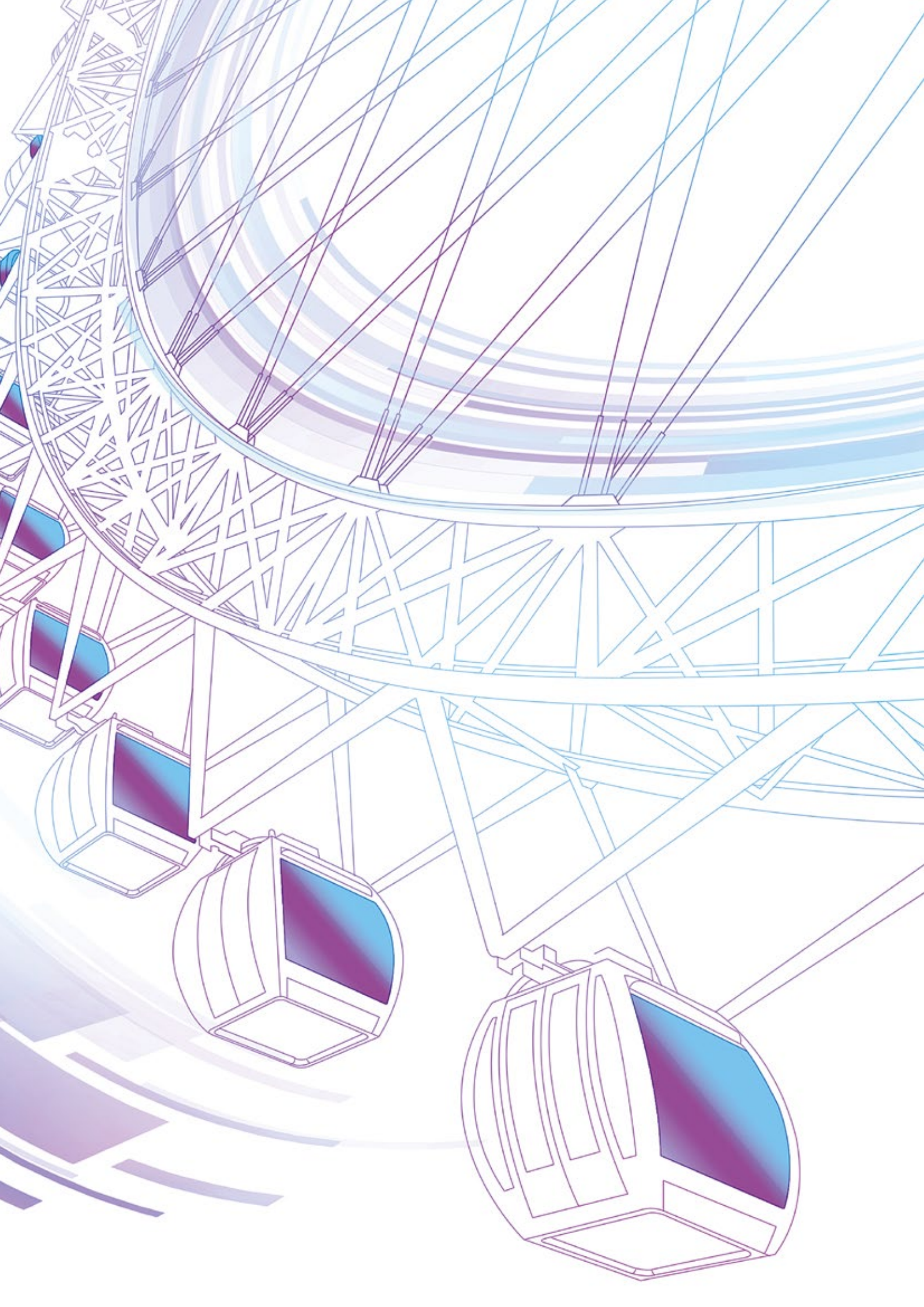
76,867 sqm

Valuation

S\$405.5M

Portfolio Occupancy

99.0%



OVERVIEW

Letter to Unitholders

We are pleased to present Dasin Retail Trust's annual report for the financial year ended 31 December 2019 ("FY2019").



Doumen Metro Mall is the leading shopping and lifestyle mall in Doumen district of Zhuhai city



Dear Unitholders,

On behalf of the Board of Directors of Dasin Retail Trust Management Pte. Ltd., we are pleased to present Dasin Retail Trust's annual report for the financial year ended 31 December 2019 ("FY2019").

2019 was a year of steady performance for Dasin Retail Trust marked by intrinsic organic growth, inorganic expansion, strong portfolio occupancy and stable distribution yield. At the same time, we achieved a major corporate milestone with the Trust's maiden acquisition, Doumen Metro Mall in Zhuhai City, since our listing on SGX-ST in 2017. This acquisition is in line with our existing investment and diversified development strategies, and further enhances our foothold in the Greater Bay Area.

Following the successful acquisition of Doumen Metro Mall, the Trustee-Manager announced the proposed acquisition of Shunde Metro Mall and Tanbei Metro Mall in November 2019. The properties will strengthen the Trust's presence and prominence across the Greater Bay Area for greater income resilience. This acquisition is also expected to improve portfolio occupancy, WALE, land lease tenure and trading liquidity. It received overwhelming support from Unitholders at an Extraordinary General Meeting held in December 2019.

STABLE RETURNS

Notwithstanding the challenging macroenvironment, Dasin Retail Trust delivered another set of stable results in 2019, in line with our commitment to provide regular and stable distributions to Unitholders. The Trust achieved a distribution per Unit (DPU) of 6.82 cents for FY2019, which translates to a distribution yield of 8.53% based on the offering price of S\$0.80.

Net property income grew by 4.6% year-on-year to S\$60.0 million largely

attributed to the contribution from Doumen Metro Mall which was acquired in September 2019, as well as higher rental income from Xiaolan Metro Mall.

PROACTIVE ASSET MANAGEMENT

The Trustee-Manager's proactive asset management strategy has ensured that the Trust maintains a strong portfolio occupancy rate consistently since inception. As at 31 December 2019, our portfolio registered an occupancy rate of 98.8%, with weighted average lease to expiry of 7.0 years by net lettable area. Apart from being a testament to the quality and resiliency of our assets, this is a good indication of the Trust's income stability over the long term.

Following an in-depth market research study, the Trustee-Manager carried out asset enhancement works at Ocean Metro Mall in the fourth quarter of 2019. Approximately 9,085 sqm of "furniture and finishing" space at the mall was reconfigured into a children's education area to enhance the competitiveness of the mall and its tenant mix. At the same time, new retail and dining brands were introduced offering shoppers a more diverse mix of shopping options and an upgraded customer experience.

PRUDENT CAPITAL MANAGEMENT

The Trustee-Manager remains focused on its prudent and disciplined approach towards capital management. Dasin Retail Trust's balance sheet remained healthy with an aggregate leverage of 36.5% as at 31 December 2019. On 17 January 2020, the Trust extended the second tranche of the offshore facilities at reduced interest spread of approximately 100 bps, as compared to the original loans. The all-in interest cost for this second tranche is expected to be lower, which may

OVERVIEW

Letter to Unitholders

As at end-December 2019, Dasin Retail Trust's portfolio comprised five assets in the Greater Bay Area - four in Zhongshan City and one in Zhuhai City - with a total valuation of approximately S\$1.8 billion (RMB9.5 billion).

reduce the financing cost. In addition, the extension also effectively lengthens the average term-to-maturity of the offshore facilities from 1.3 years to 1.7 years. Going forward, we will work closely with our banking partners to further optimise the debt position of the Trust.

The acquisition of Doumen Metro Mall was funded by a combination of bank borrowings, and a private placement of approximately S\$68.8 million. The private placement was well-subscribed by both existing Unitholders as well as new investors, a testament of the investing community's confidence in the Trust. The addition of new investors will strengthen and diversify the Trust's Unitholder base and improve liquidity.

DISCIPLINED INVESTMENT MANAGEMENT

Dasin Retail Trust has a pipeline of 18 Right of First Refusal ("ROFR") properties from the Sponsor as at 31 December 2019. These assets comprise 12 completed properties and six properties under development. They are located across Zhongshan, Shunde and Macau of the Greater Bay Area.

During the year, the Trustee-Manager demonstrated its prudent investment approach with the completion of its maiden acquisition of Doumen Metro Mall in Zhuhai City in September 2019. As at end-December 2019, Dasin Retail Trust's portfolio comprised five assets in the Greater Bay Area - four in Zhongshan City and one in Zhuhai City - with a total valuation of approximately S\$1.8 billion (RMB9.5 billion).

The proposed acquisition of Shunde Metro Mall and Tanbei Metro Mall, announced on 13 November 2019, represents another opportunity for the Trust to enhance its presence in the Greater Bay Area.

SUSTAINABILITY REPORTING

Sustainability remains an important aspect of Dasin Retail Trust's long-term business strategy. Our commitment to Environmental, Social and Governance ("ESG") best practices remains an integral part of our business operations. More information can be found in our third sustainability report on pages 78 to 95 of this annual report. The report is prepared in accordance with the Global Reporting Initiative Standards (Core Option).

LOOKING AHEAD

In 2019, China's economy grew 6.1% year-on-year while its national retail sales increased 8.0% year-on-year. National urban disposable income and expenditure per capita grew 7.9% and 7.5% year-on-year respectively for 2019⁽¹⁾. Zhongshan City's GDP increased 1.2% year-on-year while total retail sales increased 3.0% year-on-year for 2019⁽²⁾. Over the same period, Zhuhai City's GDP and retail sales grew by 6.8% and 6.3% year-on-year respectively⁽³⁾.

When news of the COVID-19 outbreak broke in December 2019, Dasin Retail Trust moved to implement a number of precautionary measures⁽⁴⁾. Since 24 February 2020 upon approval from relevant local authorities, Dasin Retail Trust's four shopping malls – Shiqi

Metro Mall, Xiaolan Metro Mall, Doumen Metro Mall and Dasin E-Colour – have resumed normal operating hours. Ocean Metro Mall reverted to its normal operating hours on 2 March 2020. The property managers of the malls continue to maintain strict precautionary measures. Shoppers and employees are still required to wear masks and are subjected to temperature scans before entering the malls. The properties' cleaning teams disinfect the premises on a daily basis to ensure compliance with health and safety standards⁽⁵⁾.

The Chinese authorities are expected to roll out supportive measures to ease the economic impact of the virus. These financial measures⁽⁶⁾ are likely to include liquidity injection and credit easing to render support to private, small and micro-companies, as well as manufacturing companies.

The Trustee-Manager recognised the challenges posed by the COVID-19 and the economic impact on the businesses. In tandem with various precautionary and healthcare measures adopted across the People's Republic of China, the Trust's properties, tenants, and businesses are facing disruptions caused by COVID-19. As a socially responsible organisation, the Trust is exploring various strategies and measures such as asset enhancement initiatives ("AEI") to ride through the headwinds.

In 2019, the Federal Reserve cut interest rates three times amounting to a total reduction of 0.75%. Its third

(1) National Bureau of Statistics of China.

(2) Zhongshan Municipal Bureau of Statistics.

(3) Statistics Bureau of Zhuhai.

(4) "Dasin Retail Trust's Precautionary Measures in Response to the Coronavirus" announcement dated 28 January 2020 <http://ir.dasintrust.com/news.html/id/757056>.

(5) "Update on Dasin Retail Trust's Operations and Relief Measures for Tenants in Relation to the COVID-19 Situation" announcement dated 19 March 2020 <http://ir.dasintrust.com/news.html/id/767734>.

(6) State Council of the People's Republic of China and People's Bank of China (PBOC).

KEY HIGHLIGHTS

DISTRIBUTION YIELD⁽¹⁾



8.53%

DISTRIBUTION PER UNIT⁽²⁾



6.82 cents

NET ASSET VALUE PER UNIT⁽³⁾



S\$1.37

NET PROPERTY INCOME⁽⁴⁾



+4.6% y-o-y

HEALTHY GEARING⁽⁵⁾



36.5%

PORTFOLIO OCCUPANCY



98.8%

NUMBER OF RIGHT OF FIRST REFUSAL ("ROFR")



18 assets

Compared to 15 at the time of listing

- (1) Based on FY2019 distribution per Unit of 6.82 cents (with distribution waiver) and offering price of S\$0.80 as at IPO. DRT's FY2019 distribution yield is 8.17% if based on the closing price of S\$0.835 as at 31 December 2019.
- (2) The DPU for FY2019 was based on the sum of DPU for the following periods: (i) Period from 1 January 2019 to 31 March 2019 with Distribution Waiver of 1.70 cents; (ii) Period from 1 April 2019 to 30 June 2019 with Distribution Waiver of 1.69 cents; (iii) Period from 1 July 2019 to 11 September 2019 with Distribution Waiver of 1.37 cents; (iv) Period from 12 September 2019 to 30 September 2019 with Distribution Waiver of 0.34 cents; (v) Period from 1 October 2019 to 31 December 2019 with Distribution Waiver of 1.72 cents.
- (3) Based on total number of issued and issuable Units.
- (4) NPI of S\$60.0m as at 31 December 2019 was approximately 4.6% higher than NPI of S\$57.3m as at 31 December 2018.
- (5) Gearing was computed based on total gross borrowings of S\$716,206,000 divided by total assets of S\$1,960,404,000 as at 31 December 2019.

reduction of 0.25% took place on 30 October 2019, bringing the benchmark interest rates to between 1.5% to 1.75%. In March 2020, the Federal Reserve cut interest rates twice to support the economy in light of the COVID-19 developments. On 3 March 2020, the Fed lowered its interest rates by 0.5% followed by another announcement on 15 March 2020, to cut its benchmark interest rates by 1.0% to near zero⁽⁷⁾. As part of our proactive risk management strategy, we will continue to manage the risks associated with foreign exchange exposure and interest rates volatility.

With the strong support from our Sponsor, we will continue to harness our strengths to proactively manage our assets, embark on new asset enhancement initiatives and pursue accretive acquisitions with prudent capital management, to fulfil our commitment to deliver stable, sustainable returns to our Unitholders.

IN APPRECIATION

Mr Li Wen stepped down as Chief Executive Officer ("CEO") on 13 March 2020. Ms Wang Qiu succeeded him as CEO with effect from 13 March 2020. On behalf of the Trustee-Manager and the Board, we would like to express our sincere appreciation to Mr Li for his leadership and invaluable commitment to Dasin Retail Trust and wish him success in his future endeavours.

We thank our fellow Board members for their continued counsel and guidance, as well as our staff for their dedication and contributions. Last but not least, we would also like to express our gratitude to our Unitholders, business partners, loyal tenants, and shoppers for their unwavering confidence and support.

Zhang Zhencheng
Chairman

Wang Qiu
Chief Executive Officer

6 April 2020

(7) US Federal Reserve.

OVERVIEW

致信托单位持有者

在此呈报大信商用信托
截至2019年12月31日财政年的年报。



大信·新都汇斗门店是一个提供休闲娱乐、餐饮和零售服务的大型一站式购物中心



尊敬的信托单位持有者：

我们谨代表大信商用信托管理有限公司董事会，非常高兴地在此呈报截至2019年12月31日(2019财政年)的大信商用信托年报。

对于大信商用信托来说，2019年是绩效保持稳定、实现有机增长和内生增长、投资物业组合出租率表现强势且分配率亦保持稳定的一年。与此同时，信托在自其上市以来的发展历史中完成首次收购，即收购位于珠海市的大信·新都汇斗门店。这次收购符合我们既有的投资以及多样化发展策略，并进一步加深我们在大湾区的布局。

在大信·新都汇斗门店收购项目顺利完成，信托管理公司于2019年11月再度公告拟收购大信·新都汇顺德店和大信·新都汇坦背店，并在12月的特别股东大会上得到了股份单位持有者的批准。按照我们预期，该项收购将可以继续强化信托在大湾区中的布局，并带来更大的收入弹性。预计此次收购还将提高投资组合的出租率、加权平均租赁期、土地租赁期和交易流动性。

稳定回报

尽管宏观环境存在挑战，大信商用信托依然在2019年中取得了稳定的业绩，这与我们向股份单位持有者提供长期稳定回报的承诺是相符的。信托在2019财年中实现的每股份单位分配额为6.82分，按照0.80新元的发售价格计算，这相当于8.53%的派息率。

我们的净物业收入年同比增长率为4.6%，达到了6,000万新元。主要归

功于在2019年9月收购的大信·新都汇斗门店的贡献，以及大信·新都汇小榄店租金收入的增长。

前瞻性资产管理

信托管理公司的前瞻性资产管理策略，使得信托能够自成立以来一直保持强势的投资物业组合出租率。截至2019年12月31日，我们投资物业组合的经登记的出租率为98.8%。按照净可出租面积计算，加权平均租约到期时间为7.0年，这将可以确保信托的收入实现长期稳定增长。得益于我们资产的极高品质和收入韧性，尽管经营环境面临挑战，但大信商用信托投资物业的绩效长期以来一直表现良好。

为提升物业竞争力并优化业态组合比例，基于市场研究和定位，信托管理公司于2019年第四季度在大信·新都汇远洋店执行了资产升级改造举措。这项改造涉及大约9,085平方米的“家居卖场”空间，被重新打造为一个儿童教育区。与此同时，为向购物者提供更加多样化的购物选择，大信商用信托远洋店的餐饮品牌亦进行了升级。

审慎资本管理

在资本管理方面，信托管理公司一直坚持采用审慎且严格的策略。截至2019年12月13日，大信商用信托的资产负债比保持健康状态，且总杠杆率为36.5%。2020年1月17日，信托以低于原始贷款利差100个基点，将境外贷款第二笔到期部分进行了延期，这有助于我们进一步降低融资成本。同时，该延期亦可有效地将境外贷款

OVERVIEW

致信托单位持有者

增加至五项，皆位于大湾区，其中四项资产位于中山市，一项位于珠海市，且截至2019年12月末投资物业组合的总估值约为18亿新元(约人民币约95亿元)。

的平均到期时间从1.3年延长到1.7年，从审慎资本管理角度考虑，我们在同银行合作伙伴密切合作的同时，进一步优化大信商用信托的债务状况。

大信·新都汇斗门店的收购资金来源于银行贷款和配售融资(金额约为6,880万新元)。得益于投资人对于大信商用信托的信心，该配售得到了踊跃认购，新投资人的加入将进一步加强投资人多样性并带来更多的流动性。

严格投资管理

截至2019年12月31日，大信商用信托目前已拥有18项优先购买权物业(皆为发起人所拥有)。此等资产是由位于大湾区中山市、佛山市和中国澳门的12处在营物业和6处在发展物业组成的。

在本年度中，信托管理公司于2019年9月成功首次收购位于珠海的大信·新都汇斗门店，体现我们一贯所采用的审慎投资策略。在此次收购之后，大信商用信托投资物业组合增加至五项位于大湾区的资产，其中四项资产位于中山市，一项位于珠海市，截至2019年12月末投资物业组合的总估值约为18亿新元(人民币约95亿元)。

另外，我们于2019年11月13日公布大信·新都汇顺德店和大信·新都汇坦背店拟定收购项目，而这将会进一步强化大信商用信托在大湾区范围内的布局。

可持续性报告

可持续性层面仍是大信商用信托长期企业战略的重要部分，并且，对于环境、社会和治理最佳规程的承诺，仍是我们企业经营的不可或缺的组成部分。欲了解详情，请查看按照全球报告倡议标准(核心选项)编制的第三版可持续性报告(本年报的第78至第95页)。

前景

2019年，中国经济的年同比增长率为6.1%，国家零售销售额的年同比增长率为8.0%。2019年国家城市居民可支配收入和支出的年同比增长率分别为7.9%和7.5%⁽¹⁾。2019年中山市国民生产总值的年同比增长率为1.2%，而总零售销售额的年同比增长率则为3.0%⁽²⁾。与此同时，珠海市国民生产总值和零售销售额的年同比增长率则分别为6.8%和6.3%⁽³⁾。

2019年12月，信托管理公司为应对在中国蔓延的新型冠状病毒而宣布在其五处购物商城采取预防性措施⁽⁴⁾。经过政府部门批准，大信商用信托旗下4间购物中心，包括大信·新都汇石岐店、大信·新都汇小榄店、大信·新都汇斗门店和大信溢彩荟自2月24日开始恢复正常营业时间，远洋店自3月2日起恢复正常营业时间。与此同时，物业管理公司仍在执行严格的工作程序应对病毒，所有员工及顾客进入商场均需佩戴口罩，并进行体温监测，

每日循环用酒精或消毒液对商场进行全面消毒，确保符合卫生安全标准⁽⁵⁾。

中国政府预计推出一系列的财政扶持措施，以缓解新型冠状病毒所带来的经济影响。此等财政措施⁽⁶⁾包括流动资金注入和量化宽松政策，且目的在于为民营和小微型企业以及制造业提供扶持。

信托管理公司认识到新型冠状病毒所带来的挑战以及其对于自身企业所造成的经济影响。除中国范围内所采取的各种预防和医疗措施以外，信托的物业、租户和业务亦面临因冠状病毒而带来的经营中断问题。作为一家对社会负责的组织，信托正在实施诸如资产优化举措之类的各种战略和措施，以降低和缓解近期不利局面所带来的影响。

2019年，美联储曾三次降息，且最后一次为2019年10月30日，在2019年第三次降息时，美联储将利率下调了0.25%，即降低了1.5%至1.75%，这使得其在2019年的基准利率总共下调了0.75%。2020年3月，美联储根据新型冠状病毒的发展情况，两次降息以支持经济。2020年3月3日，美联储将利率降低了0.5%，随后又于2020年3月15日宣布将基准利率降低1.0%，降至接近零⁽⁷⁾。作为自身前瞻性资本管理战略的一部分，信托管理公司将会继续对于外汇及利率波动相关的风险加以管理。

(1) 中国国家统计局。

(2) 中山市统计局。

(3) 珠海市统计局。

(4) 2020年1月28日“大信商用信托新型冠状病毒应对预防措施”通告，<http://ir.dasintrust.com/news.html/id/757056>。

(5) 2020年3月9日“关于COVID-19情况大信商用信托的运营更新以及对租户支持措施的公告”，<http://ir.dasintrust.com/news.html/id/767734>。

(6) 中国国务院和中国人民银行。

(7) 美联储。

业绩亮点

分配收益率⁽¹⁾

8.53%

每份单位
分配额⁽²⁾

6.82 分

净资产价值
每单位⁽³⁾

1.37 新元

净物业收入⁽⁴⁾+4.6%
去年同期良好的杠杆率⁽⁵⁾

36.5%

投资物业组合
出租率

98.8%

优先购买权项目从上市时的15项增加到



18 项

- (1) 以2019年的6.82分(含分配放弃承诺)的年化每份单位分配额以及截至首次公开募股时0.80新元的募股价格为基础。基于截至2019年12月31日的0.835新元的收盘价, 大信商用信托的分配率为8.17%。
- (2) 2019年的实际每单位派息是基于以下期间的每单位派息之和: (i)2019年1月1日至2019年3月31日期间含分配放弃承诺为1.70分(新元); (ii)2019年4月1日至2019年6月30日期间, 含分配放弃承诺为1.69分(新元); (iii)2019年7月1日至2019年9月11日期间, 含分配放弃承诺为1.37分(新元); (iv)2019年9月12日至2019年9月30日期间, 含分配放弃承诺为0.34分(新元); (v)2019年10月1日至2019年12月31日期间, 含分配放弃承诺为1.72分(新元)。
- (3) 根据已发行和可发行的总单位数量。
- (4) 截至2019年12月31日的净物业收入为5,998万新元, 比截至2018年12月31日的净物业收入5,732万新元大约增加4.6%。
- (5) 杠杆率的计算方法是, 以截至2019年12月31日总借款额716,206,000新元除以总资产额1,960,404,000新元。

基于我们发起人的强力支持, 我们将会继续坚持以前瞻性视角管理我们的资产, 积极执行新的资产优化举措, 并在秉承审慎资产管理原则的情况下积极开展具有增长潜力的收购项目, 以履行我们向股份单位持有者提供可持续性、稳定回报的承诺。

致谢

李文先生于2020年3月13日卸任首席执行官职务。王秋女士于2020年3月13日接任首席执行官职务。我们谨代表信托管理公司和董事会, 就李先生对于大信商用信托的卓越领导以及对于大信商用信托所做出的贡献, 向其表示最深的谢意, 并且祝愿他未来能够再创辉煌。

我们亦希望借此机会, 向一直坚持努力工作的董事会同仁以及积极奉献的管理团队成员, 表示诚挚的感谢。最后, 我希望感谢我们的股份单位持有者、商业合作伙伴、忠诚租户和购物者, 感谢他们长期以来对我们的默默信任和支持。

张镇成
主席

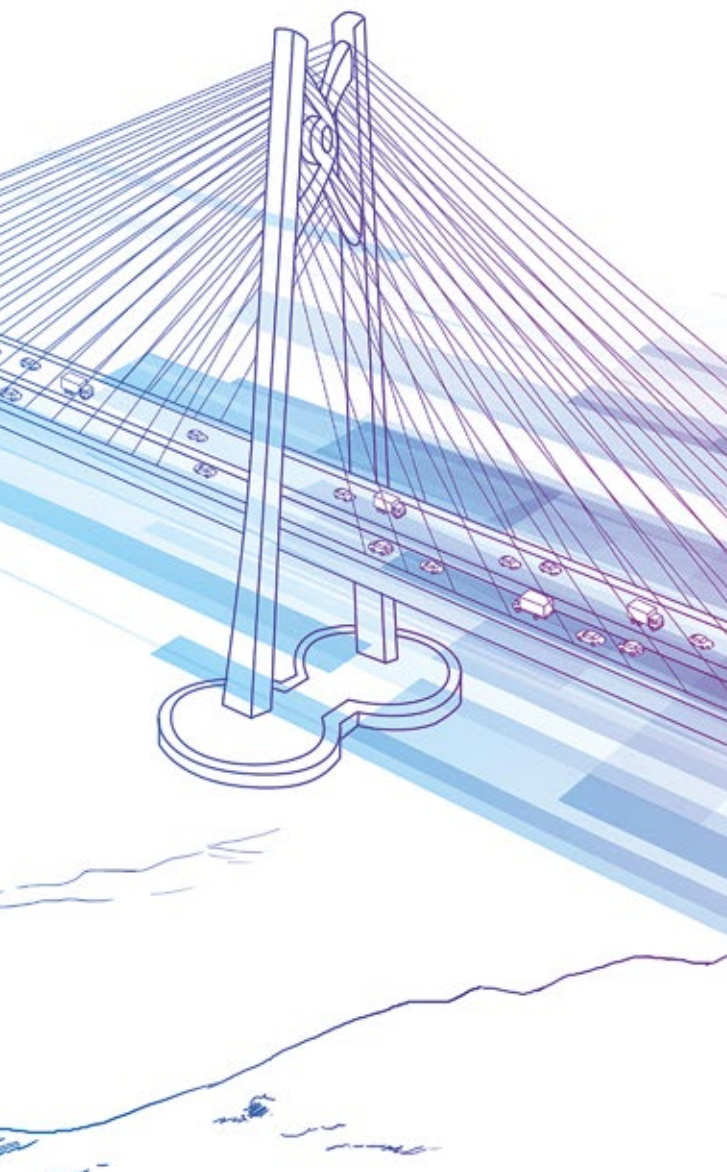
王秋
首席执行官

2020年四月六日

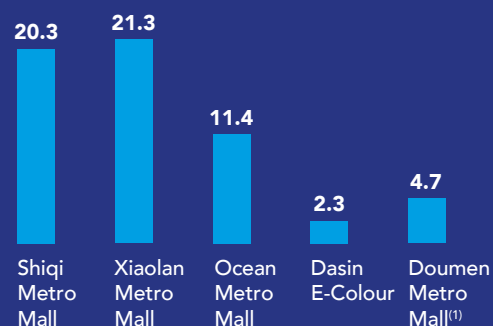


Unbounded and Ready with Strategic Leverage

Evolution surpasses all boundaries. Dasin Retail Trust now has a stronger foothold in the fast-growing Greater Bay Area. Going forward, we will continue to execute diligently our strategy of building an increasingly diverse portfolio of quality assets. So that we can strengthen our presence and prominence on a larger scale across the region for greater income resilience.



**FY2019 TOTAL NPI CONTRIBUTION
(S\$M)**



⁽¹⁾ Doumen Metro Mall was acquired by the Trust on 12 September 2019. This refers to NPI from 13 September 2019 to 31 December 2019.

PERFORMANCE REVIEW

Financial Review

GROSS REVENUE

Revenue for FY2019 was higher than FY2018 by approximately S\$4.7 million due mainly to the acquisition of Doumen Metro Mall on 12 September 2019, which contributed approximately S\$6.3 million and increase in rental income from Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour of S\$0.5 million, S\$0.3 million and S\$0.1 million in RMB term respectively. This increase was partially offset by the weakening of the RMB against SGD of S\$2.4 million.

	FY2019 (RMB'M)	FY2018 (RMB'M)	% Change	FY2019 (S\$'M)	FY2018 (S\$'M)	% Change
Shiqi Metro Mall	128.1	129.2	(1)	25.3	26.3	(4)
Xiaolan Metro Mall	129.1	127.2	1	25.5	25.9	(2)
Ocean Metro Mall	79.6	78.0	2	15.7	15.9	(1)
Dasin E-Colour	16.3	15.7	4	3.2	3.2	1
Doumen Metro Mall ⁽¹⁾	31.4	–	N.M.	6.3	–	N.M.
Portfolio	384.5	350.1	10	76.0	71.3	7

N.M. = Not meaningful

⁽¹⁾ Doumen Metro Mall was acquired by the Trust on 12 September 2019. This refers to revenue from 13 September 2019 to 31 December 2019.

NET PROPERTY INCOME

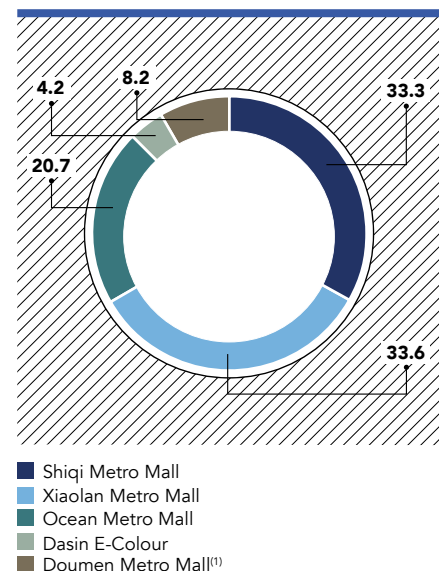
NPI margin for FY2019 was approximately 79% while that of FY2018 was approximately 80%. The NPI margin for FY2019 was marginally lower than the Trust's estimated annual margin of 80% due mainly to higher other operating expenses.

	FY2019 (RMB'M)	FY2018 (RMB'M)	% Change	FY2019 (S\$'M)	FY2018 (S\$'M)	% Change
Shiqi Metro Mall	102.9	107.6	(4)	20.3	21.9	(7)
Xiaolan Metro Mall	107.7	107.4	–	21.3	21.9	(3)
Ocean Metro Mall	57.5	55.0	5	11.4	11.2	2
Dasin E-Colour	11.9	11.5	4	2.3	2.3	–
Doumen Metro Mall ⁽¹⁾	23.5	–	N.M.	4.7	–	N.M.
Portfolio	303.5	281.5	8	60.0	57.3	5

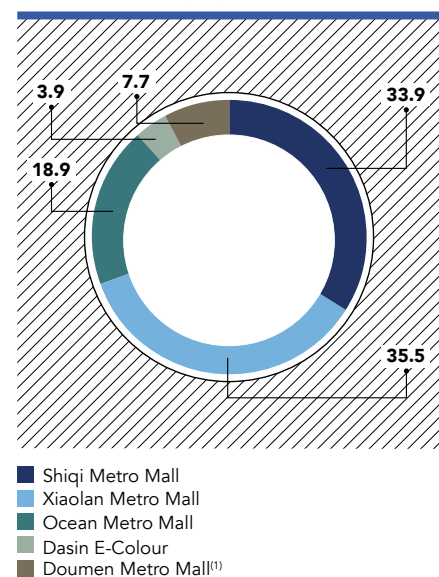
N.M. = Not meaningful

⁽¹⁾ Doumen Metro Mall was acquired by the Trust on 12 September 2019. This refers to NPI from 13 September 2019 to 31 December 2019.

FY2019 Gross Revenue Contribution (%)



FY2019 Net Property Income Contribution (%)



DISTRIBUTION

Total distribution per Unit ("DPU") for the financial year ended 31 December 2019 was 6.82 cents, lower than FY2018 DPU of 7.22 cents by approximately 5.5%. The DPU translated to a yield of 8.53% (based on offering price of S\$0.80) and 8.17% (based on the closing price of S\$0.835 as at 31 December 2019).

	FY2019	FY2018	% Change
Distribution per Unit (cents):			
– With Distribution Waiver	6.82	7.22	(5.5)
Annualised distribution yield (%)			
– Based on Offering price of S\$0.80:			
– With Distribution Waiver	8.53	9.02	(5.5)
– Based on closing price of S\$0.835 as at 31 December 2019 and S\$0.865 as at 31 December 2018:			
– With Distribution Waiver	8.17	8.35	(2.2)

There are no significant changes to the assumptions originally projected for the Distribution Waiver as disclosed on pages 145 to 148 of the Prospectus.

INDEPENDENT VALUATION OF INVESTMENT PROPERTIES

The investment properties for Initial Portfolio and Shiqi Metro Mall were valued at 31 December 2019 by Colliers International (Hong Kong) Limited, using the average of the Discounted Cash Flows and Income Capitalisation methods. The investment property for Doumen Metro Mall was valued at 31 December 2019 by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, using the average of the Discounted Cash Flows and Income Capitalisation methods as follows:

	As at 31 December 2019 (RMB'M)	As at 31 December 2018 (RMB'M)	As at 31 December 2019 (S\$'M)	As at 31 December 2018 (S\$'M)
Shiqi Metro Mall	2,994	3,031	578	600
Xiaolan Metro Mall	2,274	2,293	439	454
Ocean Metro Mall	1,805	1,825	349	362
Dasin E-Colour	309	317	59	63
Doumen Metro Mall	2,100	–	406	–
Portfolio	9,482	7,466	1,831	1,479

The decrease in valuation of the investment properties in FY2019 compared to FY2018 was mainly due to lower actual rental growth rate against the projections and the weakening of RMB against SGD as the investment properties are RMB denominated assets.

Net change in fair value of investment properties does not affect the distributable income of the Trust.

PERFORMANCE REVIEW

Financial Review

CAPITAL MANAGEMENT

The Group has a RMB390.0 million (S\$75.3 million) onshore syndicated term loan (the "Onshore Facility") and a S\$242.0 million and US\$134.3 million (S\$180.6 million) offshore syndicated term loan equivalent to S\$422.6 million in aggregate (the "Offshore Facilities").

The Group has drawdown a RMB500.0 million (S\$96.5 million) onshore syndicated term loan (the "Onshore Facility for Doumen Acquisition") in August 2019 and a S\$54.9 million and HKD294.0 million (S\$52.0 million) offshore syndicated term loan equivalent to S\$106.9 million in aggregate (the "Offshore Facilities for Doumen Acquisition") in September 2019.

The Onshore Facility and Onshore Facility for Doumen Acquisition are secured by legal mortgage over the Initial Portfolio and Doumen Metro Mall, and a pledge over the sales proceeds, rental income and receivables derived from these properties. The Onshore Facility is a 4.5-year term loan facility while the Onshore Facility for Doumen Acquisition is a 10-year term loan. The repayment schedule of the Onshore Facility and Onshore Facility for Doumen Acquisition are as follows:

Onshore Facility repayment schedule:

- (a) 0.5% of the outstanding amount 6 months after the date of the drawdown;
- (b) 0.5% of the outstanding amount for every 6 months thereafter up to 48 months after the date of the drawdown; and
- (c) the remainder of the outstanding amount 54 months after the date of the drawdown.

Onshore Facility for Doumen Acquisition repayment schedule:

- (a) first loan repayment was on 21 September 2019. 0.25% of the outstanding amount 3 months after the first loan repayment date;
- (b) 0.25% of the outstanding amount for every 3 months thereafter up to 120 months after the date of the drawdown; and
- (c) the remainder of the outstanding amount 120 months after the first repayment date.

During FY2019, the Group repaid RMB4.0 million (31 December 2018: RMB4.0 million) and RMB2.5 million (31 December 2018: nil) relating to part of the Onshore Facility and Onshore Facility for Doumen Acquisition respectively, in accordance with the respective facility agreement.

The Offshore Facilities and Offshore Facilities for Doumen Acquisition are secured by way of first ranking charges over the entire issued share capital of each of the Singapore subsidiary companies and first ranking pledges over the entire issued share capital/equity interest of each of the PRC property companies and rental management companies. The repayment schedule of the Offshore Facilities and Offshore Facilities for Doumen Acquisition are as follows:

Offshore Facility repayment schedule:

- (a) Facility A: an amount of S\$106.6 million and US\$52.4 million payable after 24 months from the date of its drawdown on 20 January 2017;
- (b) Facility B: an amount of S\$102.4 million and US\$62.0 million payable after 36 months from the date of the Offshore Facilities first drawdown on 20 January 2017; and

- (c) Facility C: an amount of S\$32.9 million and US\$19.9 million payable after 48 months from the date of the Offshore Facilities first drawdown on 20 January 2017.

The Trust has extended the tenure of the Offshore Facility A which was due on 20 January 2019 by another two years to 20 January 2021 and the Offshore Facility B which was due on 20 January 2020 by another one year to 20 January 2021.

Offshore Facility for Doumen Acquisition repayment schedule:

- (a) HKD Tranche: an amount of HKD294.0 million payable after 36 months from the date of its drawdown on 18 September 2019; and
- (b) SGD Tranche: an amount of S\$54.9 million payable after 36 months from the date of its drawdown on 18 September 2019.

In addition to the above facilities, the Group has secured a revolving credit facility ("RCF") for financing the general working capital of the Group. These credit facilities are secured by the restricted cash of the subsidiary in China. The credit facilities are as follows:

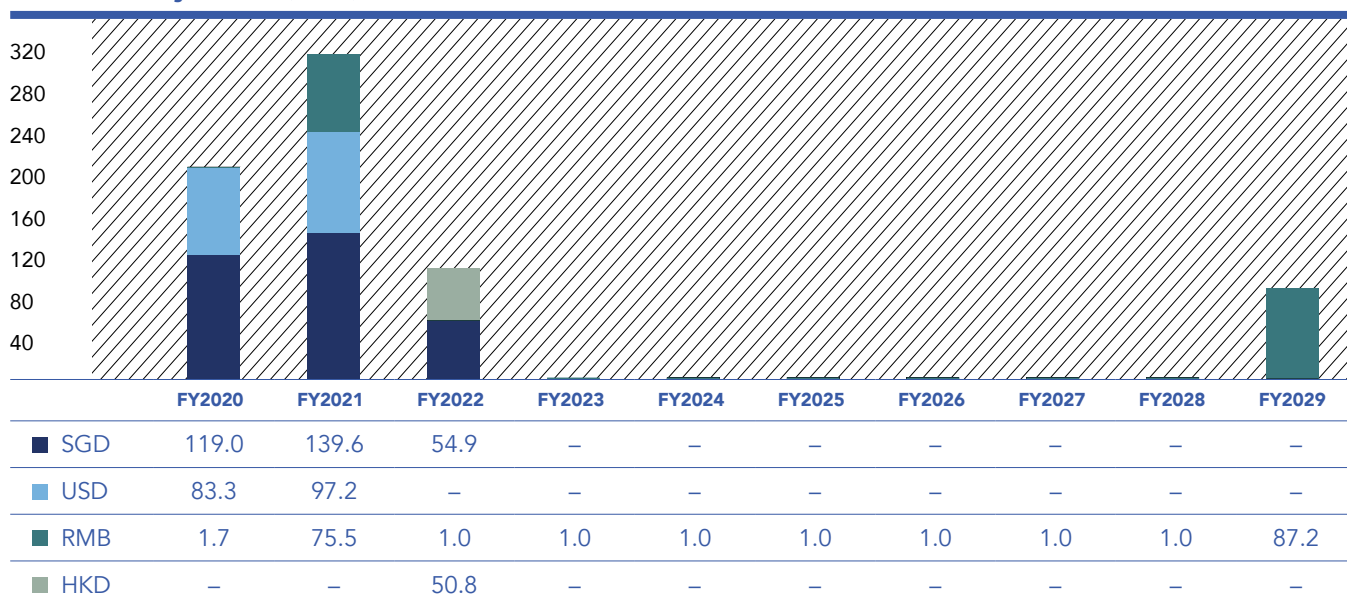
(a) a two-year RCF of RMB50 million (approximately S\$10.3 million) from September 2017 to August 2019. The Group has drawdown an amount of S\$7.0 million in March 2018. The Group repaid in full the amount on 28 March 2019.

(b) a RCF of up to RMB100 million (approximately S\$19.3 million). The Group has drawdown a total of S\$9.7 million from the facility in January 2019 (S\$5.2 million) and March 2019 (S\$4.5 million). The Group repaid the amount of S\$9.7 million in full in September 2019. The Group has drawdown a total amount of S\$16.6 million as at 31 December 2019.

As at 31 December 2019, the Group does not have any investment in other property funds and other material investments.

Key financial indicators as at 31 December 2019	
Gearing ⁽¹⁾	36.5%
Weighted average term to maturity (years)	
Onshore	5.7
Offshore ⁽²⁾	1.3

Debt Maturity Profile (\$M)



(1) Gearing was computed based on total gross borrowings of S\$716,206,000 divided by total assets of S\$1,960,404,000 as at 31 December 2019.

(2) On 17 January 2020, the Trustee-Manager entered into a second supplemental agreement to extend the maturity date of the loans of S\$102.4 million and USD62.0 million (the "Second Tranche") under its offshore syndicated term loan facilities (the "Offshore Facilities", which total an equivalent of S\$422.6 million in aggregate) by one year, from 20 January 2020 to 20 January 2021 (the "Extension"). The Extension effectively lengthens the average term-to-maturity of the Offshore Facilities from 1.3 years to 1.7 years.

Net Asset Value ("NAV") Per Unit

As at 31 December 2019, the Group's NAV of S\$1.37 per Unit, was 1.4% lower than the NAV of S\$1.39 per Unit as at 31 December 2018.

PERFORMANCE REVIEW

Operations Review



In FY2019, the Trust made its first foray outside Zhongshan City with the acquisition of Doumen Metro Mall, a prime shopping mall located in Doumen District of Zhuhai City.



The acquisition which is to strengthen Dasin Retail Trust’s foothold in the Greater Bay Area, is consistent with the Trustee-Manager’s strategy of acquiring quality income-producing real estate properties in Greater China that provide attractive cash flows and yields, to enhance returns to Unitholders and improve potential opportunities for future income and capital growth. Doumen Metro Mall is:

- A prime asset in Zhuhai City, within the fast-developing Greater Bay Area.
- Strategically located in Doumen District, the second largest district in Zhuhai City in terms of resident population.
- In close proximity to several large-scale residential communities, government office, hospital and schools which provide a ready catchment population for the mall.



WALE (BY NLA)

11.1 years



AGREED PROPERTY VALUE⁽¹⁾

S\$317.1M

⁽¹⁾ “Agreed Property Value” means the agreed property value of the Property, which was negotiated on a willing buyer and willing seller basis taking into account the independent valuations conducted by the Independent Valuers.

The Trustee-Manager continued its proactive asset management approach towards asset management and enhancement initiatives in 2019. The Trustee-Manager carried out asset enhancement works for approximately 9,085 sqm of “furniture and finishing” space at Ocean Metro Mall which was reconfigured into a children’s education area to enhance the competitiveness of the mall and its trade mix. In addition, certain brands at the mall were also upgraded to offer shoppers more diverse mix of retail options.

OCCUPANCY RATE

The Trustee-Manager’s proactive asset management strategy has ensured that the Trust’s portfolio maintained a strong occupancy of 98.8% as at 31 December 2019.

	As at 31 December 2019	As at 31 December 2018
Shiqi Metro Mall	98.5%	98.9%
Xiaolan Metro Mall	99.4%	99.2%
Ocean Metro Mall	98.6%	99.3%
Dasin E-Colour	96.3%	98.3%
Portfolio excluding Doumen Metro Mall	98.7%	99.1%
Doumen Metro Mall	99.0%	N.A. ⁽¹⁾
Portfolio	98.8%	N.A.⁽¹⁾

⁽¹⁾ Doumen Metro Mall was acquired on 12 September 2019.

N.A. = Not Applicable

LEASE EXPIRY PROFILE

As at 31 December 2019, the portfolio weighted average lease expiry by NLA was 7.0 years. Approximately 72.5% of leases by NLA are due to expire in 2024 and beyond, mainly due to anchor tenants with longer leases, which ensures the Trust enjoys a more stable cash flow.

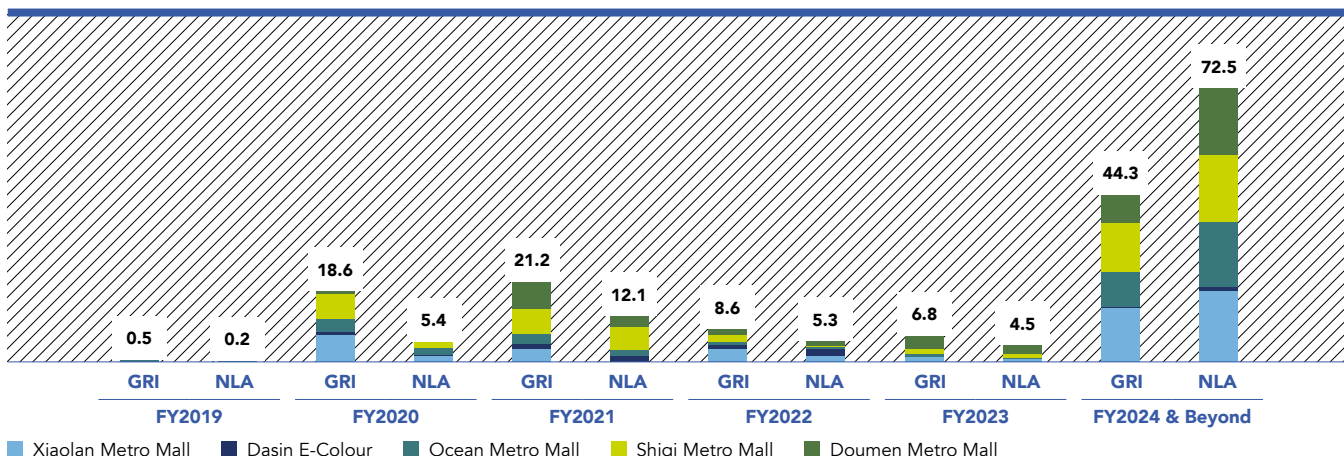
	As at 31 December 2019	
	By Net Lettable Area (NLA)	By Gross Rental Income (GRI)
FY2019 ⁽²⁾	0.2%	0.5%
FY2020	5.4%	18.6%
FY2021	12.1%	21.2%
FY2022	5.3%	8.6%
FY2023	4.5%	6.8%
FY2024 & Beyond	72.5%	44.3%
Total	100%	100%

⁽²⁾ Leases expiring on 31 December 2019.

PERFORMANCE REVIEW

Operations Review

Lease Expiry Profile (By Properties) (%)

Lease Expiry for 2020⁽⁴⁾

	No. of Leases ⁽¹⁾	NLA		GRI	
		sqm	% of Total ⁽²⁾	RMB'000	% of Total ⁽³⁾
Shiqi Metro Mall	75	5,137	1.6%	2,217	6.7%
Xiaolan Metro Mall	77	4,374	1.4%	2,377	7.2%
Ocean Metro Mall	82 ⁽⁴⁾	5,827 ⁽⁴⁾	1.9%	1,257 ⁽⁴⁾	3.8%
Dasin E-Colour	36	1,529	0.5%	276	0.8%
Doumen Metro Mall	17	403	0.1%	189	0.6%
Total	287	17,270	5.5%	6,316	19.1%

(1) Based on the signed lease agreements on or before 31 December 2019.

(2) Based on the total NLA as at 31 December 2019.

(3) Based on the total GRI of December 2019.

(4) Included leases of Ocean Metro Mall which expired on 31 December 2019.

WALE

	As at 31 December 2019	
	WALE (by NLA)	WALE (by GRI)
Shiqi Metro Mall	3.9	3.1
Xiaolan Metro Mall	5.5	4.1
Ocean Metro Mall	8.4	5.9
Dasin E-Colour	3.3	2.1
Doumen Metro Mall	11.1	5.2
Portfolio	7.0	4.3

LEASE STRUCTURE

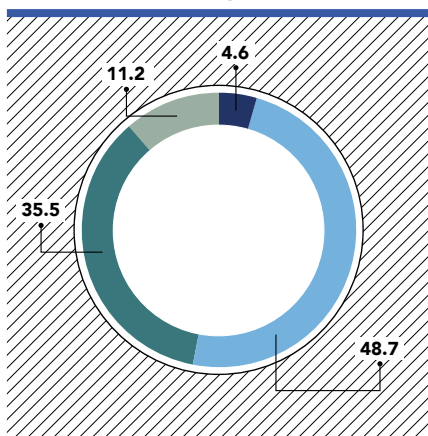
The Trust's portfolio lease structure has four components, and they include fixed rent, fixed rent with built-in escalation, higher of base rent or turnover rent and pure turnover rent. The leases with annual fixed rent and fixed rent with built-in escalation provide the Trust with income stability and organic growth while the remaining leases with turnover rent components provide potential upside in rental income.

Lease Structure

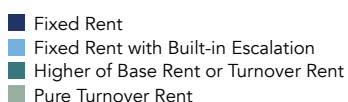
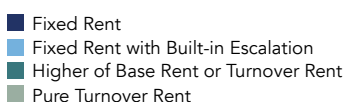
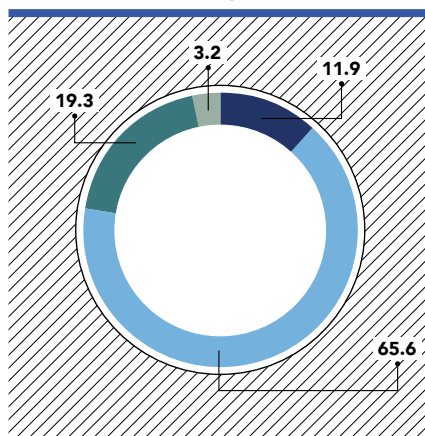
As at 31 December 2019

	NLA (sqm)	% of NLA	GRI (RMB'000)	% of GRI
Fixed Rent	14,283	4.6%	3,925	11.9%
Fixed Rent with Built-in Escalation	152,293	48.7%	21,748	65.6%
Higher of Base Rent or Turnover Rent	111,091	35.5%	6,409	19.3%
Pure Turnover Rent	34,918	11.2%	1,051	3.2%
Portfolio	312,585	100%	33,133	100%

Lease Structure By NLA (%)



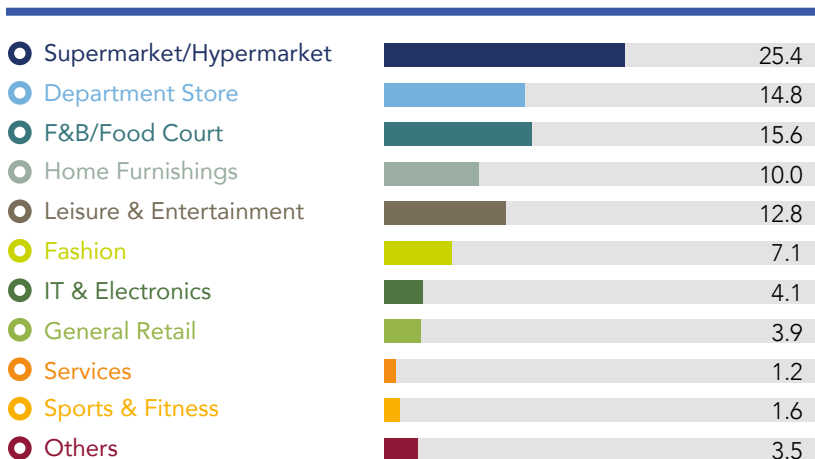
Lease Structure By GRI (%)



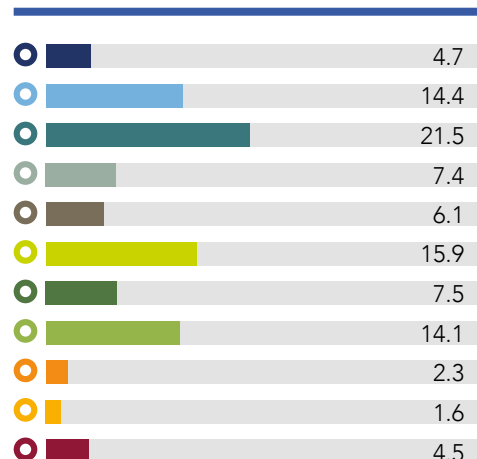
TRADE SECTOR

The portfolio has a diversified tenant mix with each sector accounting for less than 25.4% of portfolio NLA & GRI, which leads to diversification of risk.

NLA By Trade Sector (%)



GRI By Trade Sector (%)



PERFORMANCE REVIEW

Operations Review

Top 10 Tenants

No.	Tenants	Brand Name	Trade Sector	Lease Expiry	NLA (sqm)	NLA	GRI
1	中山市东区优越城百货管理有限公司 Zhongshan East Youyuecheng Store Management Co., Ltd.	优越城百货 Superior City Department Store	Department Store	Dec/2029	32,171	10.2%	10.6%
	中山市优越城百货管理有限公司 Zhongshan Youyuecheng Store Management Co., Ltd.	金大福 King Tai Fook		Apr/2024			
2	中山市大信新都汇商业投资有限公司 Dasin Merchant Investment	主租赁协议 Master Lease	Department Store	Sep/2027	16,545	5.2%	7.6%
			Leisure & Entertainment	Mar/2022			
3	中山市简美家居有限公司 Zhongshan Jianmei Household Co., Ltd.	简美家居 Jane Eyre Furniture Mall	Home Furnishings	May/2021	29,574	9.3%	7.1%
	中山市简美家居有限公司东区分公司 Jian Mei Furniture Co., Ltd. (Dongqu Branch)			Sep/2024			
	中山市简美家居有限公司小榄分公司 Zhongshan Jianmei Jane Eyre Home Furnishing Co., Ltd., Xiaolan Branch			Apr/2024			
4	昆山润华商业有限公司中山小榄分公司 Kunshan Runhua Business Co., Ltd. Xiaolan Branch	大润发 RT Mart	Supermarket/ Hypermarket	Sep/2025	61,818	19.5%	4.2%
	昆山润华商业有限公司 Kunshan Runhua Business Co., Ltd.			Mar/2024			
	珠海市大润发商业有限公司 Zhuhai Darunfa Commercial Co., Ltd.			Dec/2038			
5	中山市国美电器有限公司 Zhongshan GOME Electric Appliance Co., Ltd.	国美电器 GOME	IT & Electronics	Apr/2027	4,024	1.3%	3.1%
6	中山市小榄大信餐饮服务有限公司 Zhongshan Dasin Food Services Co., Ltd. (Xiaolan Food Services)	信轩餐饮 Xin Xuan Hotel Restaurant	Food & Beverage	Nov/2019	15,570	4.9%	2.9%
	中山市石岐大信餐饮服务有限公司 Zhongshan Dasin Food Services Co., Ltd. (Shiqi Food Services)			Apr/2024			
	中山市溢彩大信餐饮服务有限公司 Zhongshan Yicai Dasin Food Service Co., Ltd.			Feb/2026			
	中山市远洋大信餐饮服务有限公司 Zhongshan Dasin Restaurant Service Co., Ltd. (Yuan Yang Dasin Food Services)			Nov/2024			
	珠海市斗门信轩餐饮服务有限公司 Zhuhai Doumen Xinxuan Catering Service Co., Ltd.			Aug/2030			

No.	Tenants	Brand Name	Trade Sector	Lease Expiry	NLA (sqm)	NLA	GRI
7	中山苏宁云商商贸有限公司 Zhongshan Suning Yunshang Trading Co., Ltd 珠海苏宁易购销售有限公司 Zhuhai Suning Tesco Sales Co., Ltd.	苏宁易购 Suning.com	IT & Electronics	Jun/2028 Dec/2028	5,104	1.6%	1.6%
8	中山市乐淘坊百货企业管理有限公司 Zhongshan Letofang Department Store Management Co., Ltd.	乐淘坊 Leto	General Retail	Apr/2022	3,386	1.1%	1.4%
9	中山市新天际众达通信发展有限公司 Zhongshan Xintianji Communication Co., Ltd	众达电讯 Zhong Da Communications	IT & Electronics	Oct/2020	1,145	0.4%	1.2%
10	广州家广超市有限公司 Guangzhou Jiaguang Supermarket Co., Ltd.	家乐福 Carrefour	Supermarket	Dec/2034	17,700	5.6%	1.2%

MASTER LEASE AGREEMENT

The Prospectus dated 13 January 2017 revealed that Dasin Merchant Investment entered into separate Master Lease Agreements for some units on the first and third floors of Xiaolan Metro Mall and for other units on the fourth and eighth floors, as well as the entire seventh and ninth floors of Dasin E-Colour.

The Trustee-Manager is required to provide update on the status of the Master Lease Agreements. These include whether the assumptions in the Prospectus were realistic (such as the rental amount) or provide an explanation otherwise.

The Master Lease Agreement at Dasin E-Colour mentioned above expired on 1 March 2019 and has been successfully renewed. The Trustee-Manager wish to report that as at 31 December 2019, the following results have been achieved:

	Mall	NLA (sqm)	Lease period		GRI (FY2019) (RMB)	GRI for remaining lease period (RMB)	Remaining Lease Period (years)
			From	To			
大信新都汇商业投资有限公司 Dasin Merchant Investment	Xiaolan Metro Mall	11,952.3	26 September 2017	25 September 2027	22,050,000	212,488,799	7.74
	E-Colour	4,593.0	2 March 2016	1 March 2019	652,531	N.A.	–
	E-Colour	4,593.0	2 March 2019 ⁽¹⁾	1 March 2022	3,296,522	8,609,362	2.17

⁽¹⁾ Dasin Merchant Investment's Master Lease Agreement at Dasin E-Colour which expired on 1 March 2019, was renewed for a period of three years until 1 March 2022.

N.A. = Not Applicable

The security deposits provided under the Master Lease Agreements are in cash.

PERFORMANCE REVIEW

Key Properties

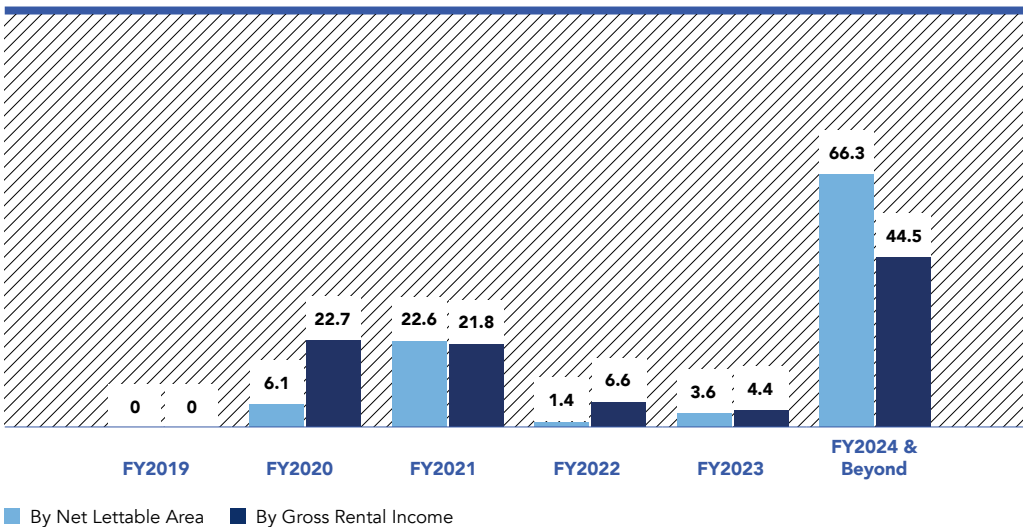
Shiqi Metro Mall

Shiqi Metro Mall, with over 15 years of history, is the first shopping mall in Zhongshan. It is a mid-end positioned regional mall with a broad trade mix targeting primarily mid-income households in the core urban area of Zhongshan. Shiqi Metro Mall’s anchor tenants include RT Mart, Superior City Department Store and Jane Eyre Furniture Mall and other tenants such as Watsons, KFC, Starbucks and Xin Xuan Restaurant. Due to its mature position in the market as well as its location in the core urban area of the city, Shiqi Metro Mall has always enjoyed a high occupancy rate and has built a strong brand awareness among local residents in the city.

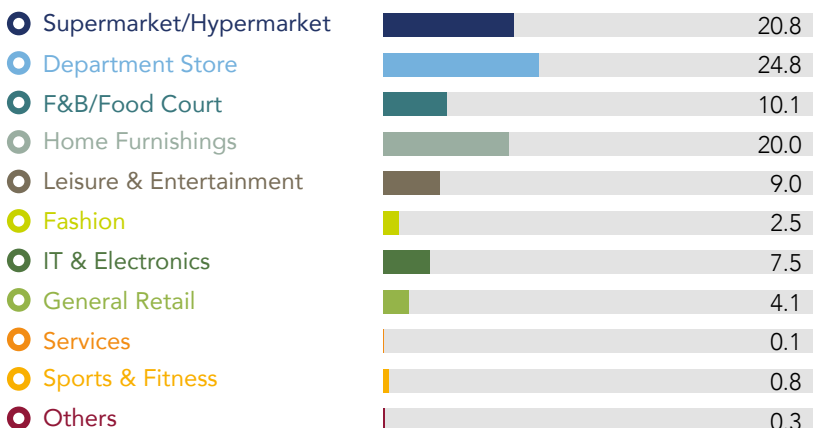
Shiqi Metro Mall is centrally located in the downtown area of the Shiqi District. In addition to the convenient road network, the shopping mall is also well served by many local public bus routes, including one which stops directly in front of Shiqi Metro Mall. Shiqi Metro Mall also provides free shuttle bus services to surrounding communities as well as to other shopping malls.



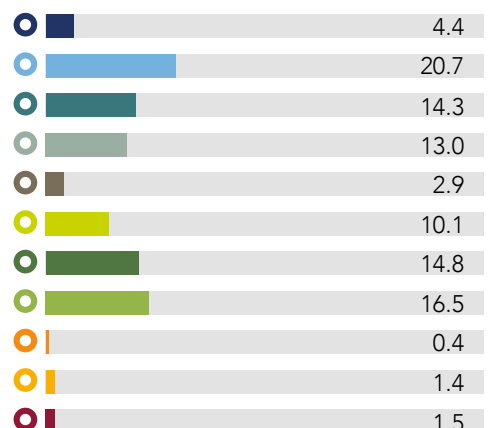
Lease Expiry Profile (%)



NLA By Trade Sector (%)

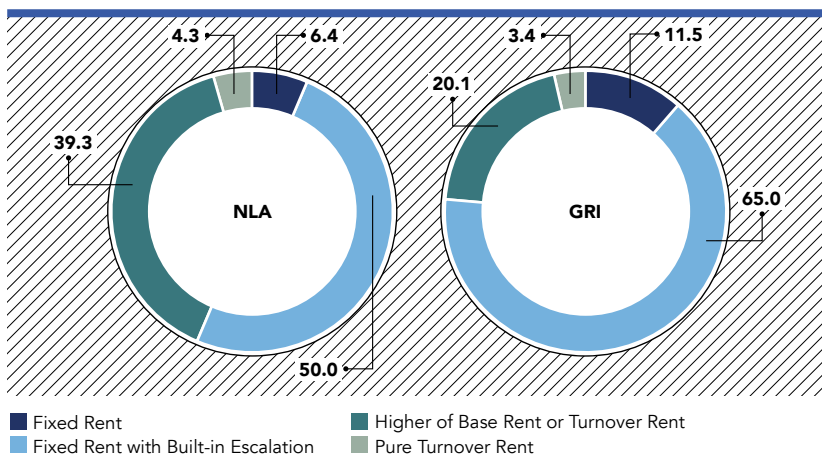


GRI By Trade Sector (%)





Lease Structure (%)



Property Information

	As at 31 December 2019
Gross Floor Area (sqm)	119,682
Net Lettable Area (sqm)	84,851
Valuation (\$m)	578.2
Occupancy	98.5%
WALE (NLA/GRI)	3.9/3.1 (years)
Land Lease Tenure	27 July 2041

PERFORMANCE REVIEW

Key Properties

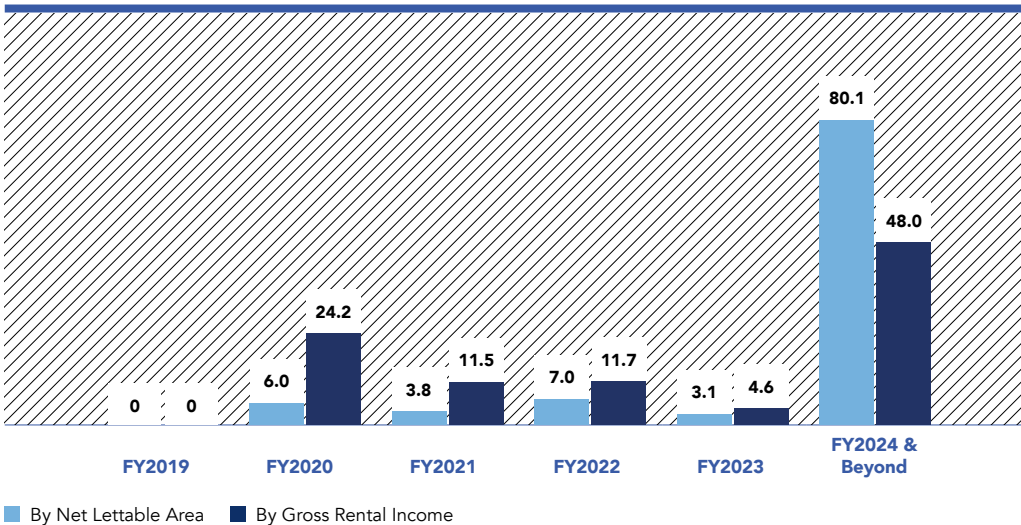
Xiaolan Metro Mall

Xiaolan Metro Mall is located in Xiaolan Town, one of the largest suburban towns in terms of residential population. The shopping mall enjoys convenient transportation and is well served by many local public bus routes, including one which stops directly in front of Xiaolan Metro Mall. Some of its tenants include Chow Tai Fook, McDonald's, KFC and Pizza Hut.

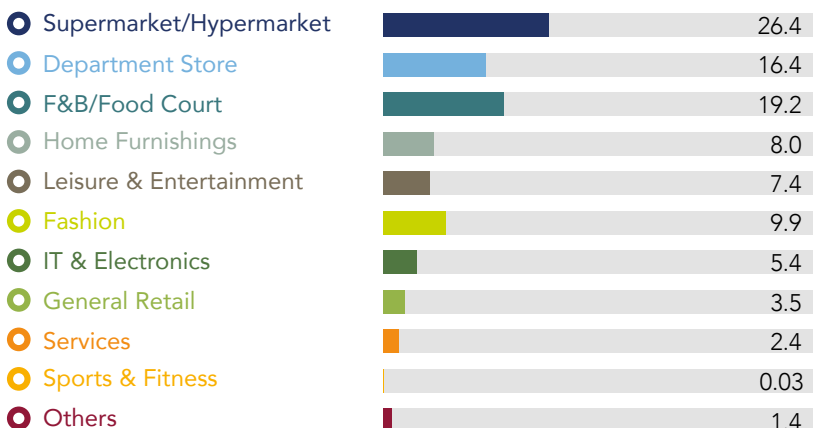
Xiaolan Metro Mall is situated in the largest shopping district in Northern Zhongshan where there are several large-scale residential communities in the area. In addition, Xiaolan Metro Mall is in the vicinity of Xiaolan Town Government, Xiaolan Gymnasium and Zhongshan Xiaolan Middle School, which has more than 3,000 students and employees. In order to drive shoppers' traffic, the shopping mall also provides free shuttle bus services to surrounding communities.



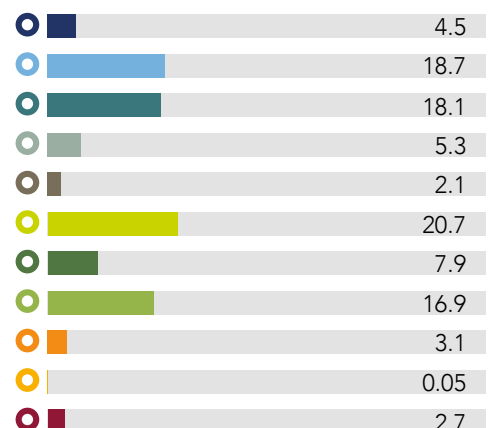
Lease Expiry Profile (%)



NLA By Trade Sector (%)

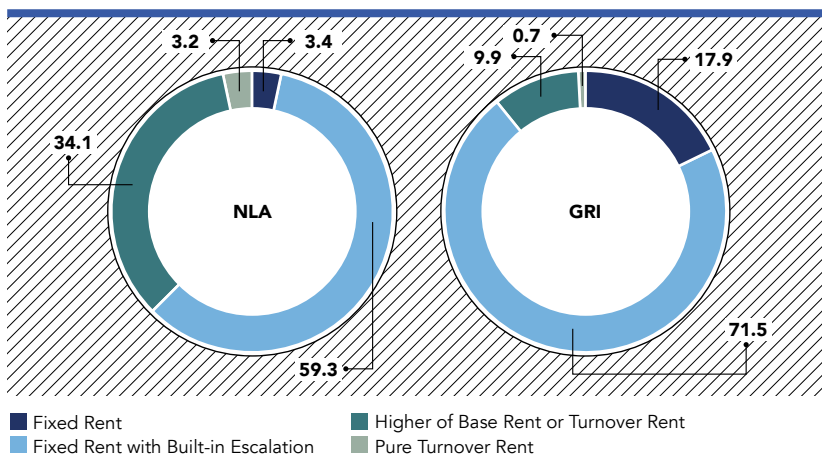


GRI By Trade Sector (%)





Lease Structure (%)



Property Information

	As at 31 December 2019
Gross Floor Area (sqm)	108,690
Net Lettable Area (sqm)	73,414
Valuation (S\$m)	439.1
Occupancy	99.4%
WALE (NLA/GRI)	5.5/4.1 (years)
Land Lease Tenure	1 April 2043

PERFORMANCE REVIEW

Key Properties

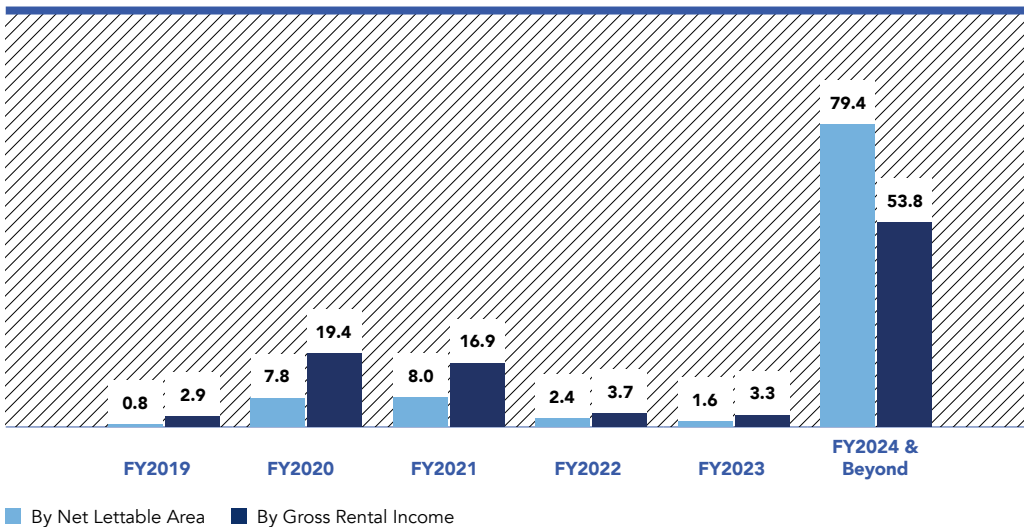
Ocean Metro Mall

Strategically located in the Eastern District within the core urban area of Zhongshan, Ocean Metro Mall is easily accessible via many local public bus routes in close proximity. Opened in December 2014, the mall is positioned as a mid- to high-end modern and experiential lifestyle destination offering comprehensive shopping experience including retail, dining and entertainment. Its spacious walkways and large atrium allows the mall to host a wide variety of promotional activities and events.

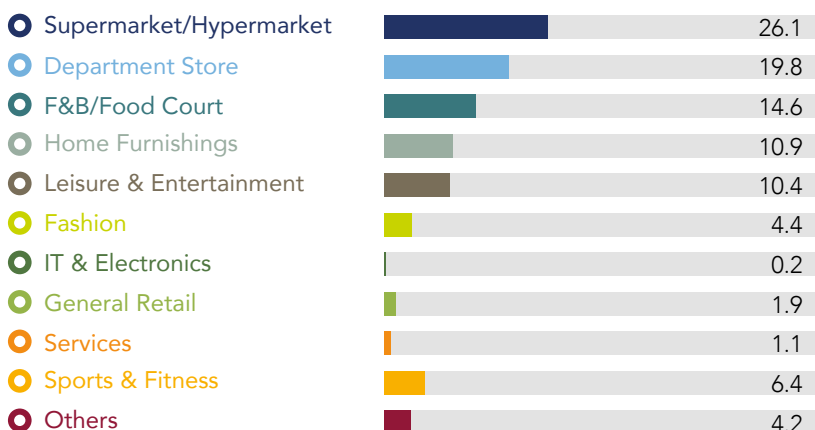
Ocean Metro Mall houses quality tenants such as Carrefour, Superior City Department Store, Top Party KTV, Win Fitness, Jinyi Cinema, Starbucks, McDonald's, Nike and Adidas. It also offers free shuttle bus services to other districts and towns, providing easy access for local residents to shop at Ocean Metro Mall.

Adjacent to Ocean Metro Mall is the Zhongshan Expo Centre with an area of 110,000 sqm, bringing additional visitor traffic to the mall.

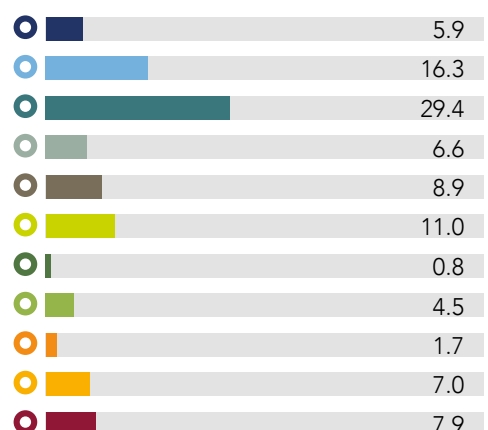
Lease Expiry Profile (%)



NLA By Trade Sector (%)

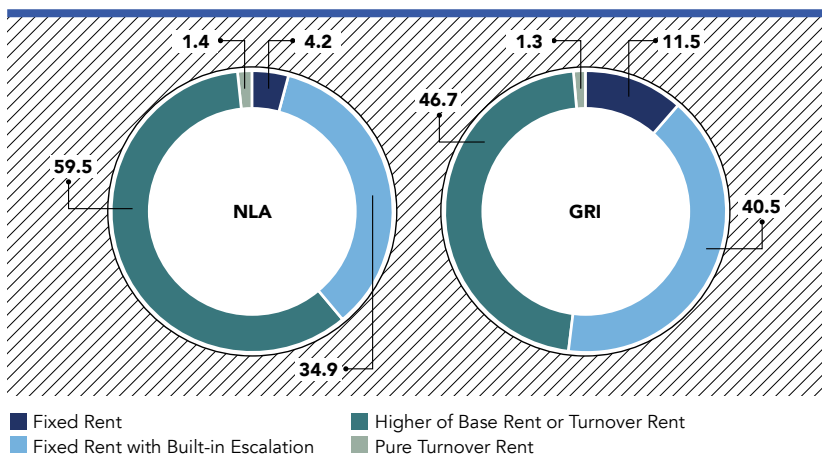


GRI By Trade Sector (%)





Lease Structure (%)



Property Information

	As at 31 December 2019
Gross Floor Area (sqm)	180,338
Net Lettable Area (sqm)	68,893
Valuation (S\$m)	348.6
Occupancy	98.6%
WALE (NLA/GRI)	8.4/5.9 (years)
Land Lease Tenure	21 February 2046

PERFORMANCE REVIEW

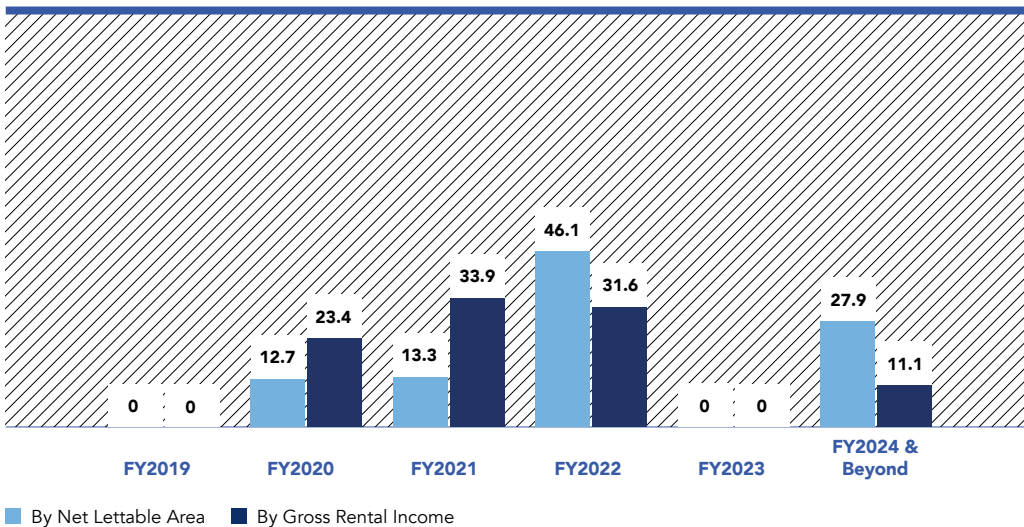
Key Properties

Dasin E-Colour

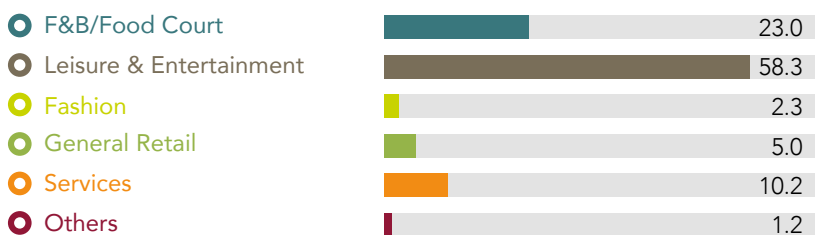
Situated opposite the University of Electronic Science and Technology of China (Zhongshan) Institute, Dasin E-Colour was originally a furniture mall which underwent asset enhancement initiative to transform it into a trendy shopping destination prior to the listing of Dasin Retail Trust. As a result of the convenience that it brings to the campus' 20,000-strong population, the institute's students and faculty members form the top customer segment of the mall.

Dasin E-Colour is positioned as a mid-end community mall providing fashionable retail outlets, popular F&B stores and entertainment facilities for its shoppers. In addition, seasonal activities on Valentine's Day, Christmas etc are organised during school holidays to attract footfall.

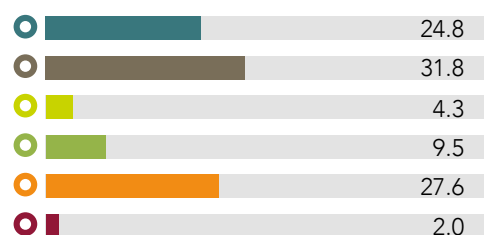
Lease Expiry Profile (%)



NLA By Trade Sector (%)

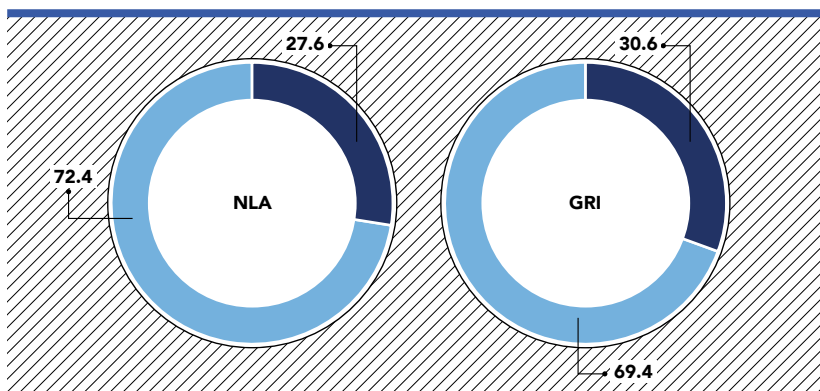


GRI By Trade Sector (%)





Lease Structure (%)



■ Fixed Rent ■ Fixed Rent with Built-in Escalation

Property Information

	As at 31 December 2019
Gross Floor Area (sqm)	25,857
Net Lettable Area (sqm)	12,471
Valuation (\$m)	59.8
Occupancy	96.3%
WALE (NLA/GRI)	3.3/2.1 (years)
Land Lease Tenure	28 July 2045

PERFORMANCE REVIEW

Key Properties

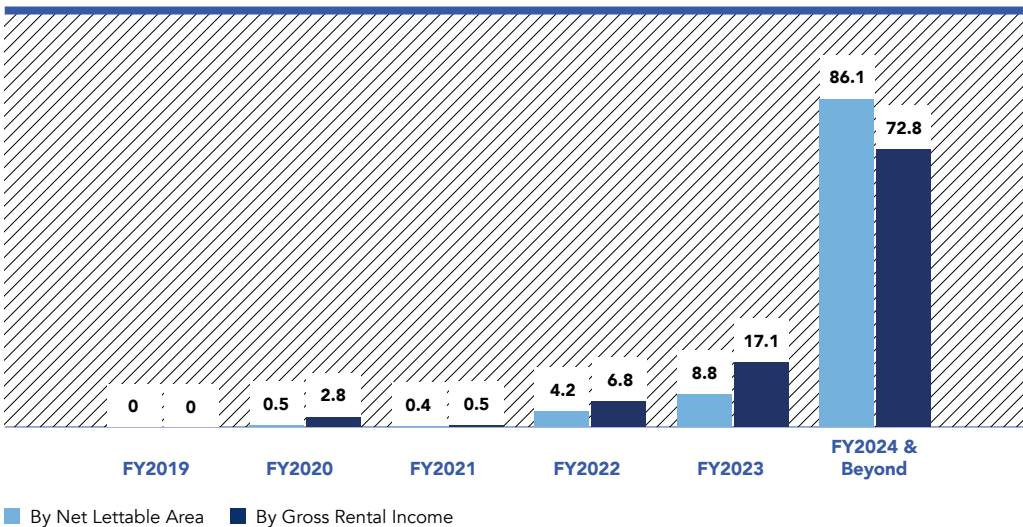
Doumen Metro Mall

Doumen Metro Mall is a large-scale integrated shopping mall that provides a one-stop destination for leisure and entertainment, F&B and retail activities, and comprises two basement levels of car park space and six levels above ground.

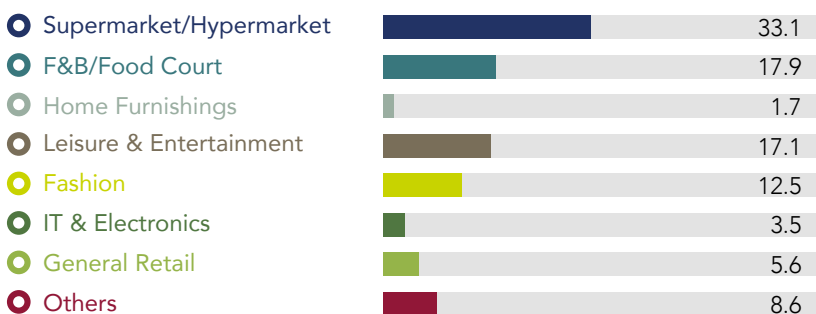
Doumen district, where the shopping mall is located, is the second largest district in Zhuhai in terms of resident population. The district is located at the intersection of Zhuhai, Zhongshan and Jiangmen and within the core circle of Guangdong, Hong Kong and Macau.

Doumen Metro Mall is situated along Zhongxing Road, a main road with substantial traffic flow. Zhongxing Road is easily accessible via the Guangdong Western Coastal Expressway, which intersects the Jiangmen-Zhuhai Expressway near the Property. The strategic geographic location of the shopping mall makes it easily accessible to shoppers within its vicinity and from the surrounding areas, contributing to strong footfall.

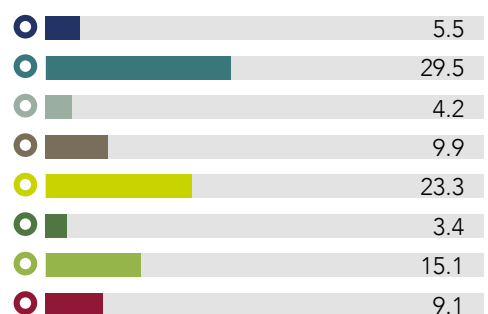
Lease Expiry Profile (%)



NLA By Trade Sector (%)

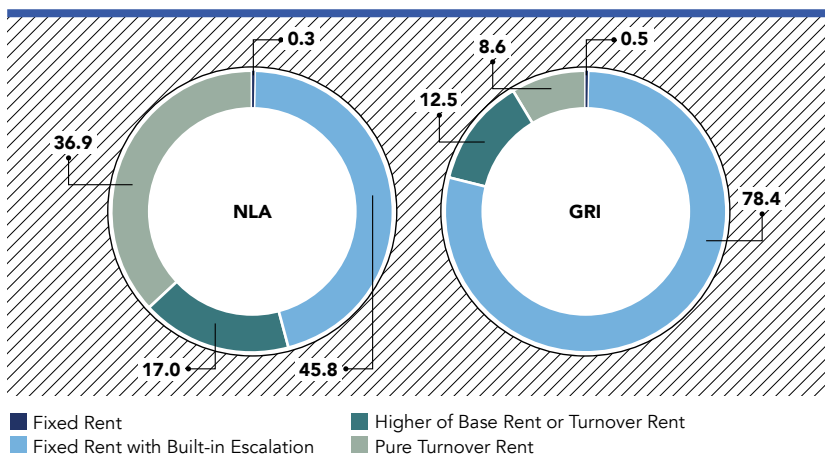


GRI By Trade Sector (%)





Lease Structure (%)



Property Information

	As at 31 December 2019
Gross Floor Area (sqm)	168,269
Net Lettable Area (sqm)	76,867
Valuation (\$m)	405.5
Occupancy	99.0%
WALE (NLA/GRI)	11.1/5.2 (years)
Land Lease Tenure	12 October 2052

PERFORMANCE REVIEW

Market Review

MACRO OUTLOOK

The global economy continues to face challenges to its growth in 2019. China was able to achieve a 6.1 per cent growth rate despite trade disputes and weakening external demand. The country was the main driving force behind global economic development with a gross GDP of RMB99 trillion (16.6% of global GDP), contributing about 30% to global economic growth. In terms of growth model, its consumption contributed 3.5% to the economy, followed by investment and net export, which were 1.9 and 0.7 percentage points respectively. China has turned into a consumption-driven economy.

Stepping into 2020, the New Year was overshadowed by a sudden novel coronavirus outbreak that quickly spread around the world. Thanks to Chinese government's rapid response and effective prevention and control of the epidemic, the number of new cases being reported is decreasing by the day. Depending on the individual situation of each region, companies are resuming operations and employees are returning to work. We believe that the epidemic will eventually be contained in time. Past experience has shown us that the impact of an epidemic on the economy as a whole is often short-term and one-off in nature, with varying effect on different industries.

CHINA RETAIL INDUSTRY⁽¹⁾

China's total retail sales saw an increase of 8% in 2019. Companies above the designated size in the commodities sector grew by 3.9%. This is a decrease from 2018. Remarkably, though, car

sales grew in December for the first time due to the alleviation of trade conflicts. Recovery in the car sales sector is expected to substantially push up the figures for companies above the designated size in the consumer goods sector. This will promote retail sales and allow it to maintain its rapid growth.

Online sales maintained a higher growth rate compared to the zero-growth rate of consumer goods, but the growth rate continues to be on a downward path, with the growth of online retail sales falling to below 20% for the first time this year.

REGIONAL ECONOMY

According to economic data released by the Zhongshan Municipal Bureau of Statistics, Zhongshan City's GDP in 2019 was RMB310.1 billion, up 1.2% from the previous year. The total volume of consumer retail sales was RMB153.6 billion, with a year-on-year increase of 3.0%. Disposable income per capita was RMB50,478, an increase of 7.7% year-on-year⁽²⁾ and higher than the RMB30,733⁽³⁾ national disposable income per capita.

According to economic data released by the Zhuhai Municipal Bureau of Statistics, Zhuhai City's GDP in 2019 was RMB343.6 billion, up 6.8% from the previous year. The total volume of retail sales was RMB123.3 billion, a year-on-year increase of 6.3%. Disposable income per capita was RMB52,495, an increase of 9.1% year-on-year⁽⁴⁾, which was also higher than the national disposable income per capita.



(1) Haitong Securities Macro Outlook Research Report, 18 January 2020.

(2) Zhongshan Municipal Bureau of Statistics.

(3) National Bureau of Statistics of China.

(4) Statistics Bureau of Zhuhai.



Shoppers at Doumen Metro Mall on National Day 2019

PERFORMANCE REVIEW

Market Review



Ocean Metro Mall in Zhongshan City, China

REGIONAL PLANNING AND DEVELOPMENT

Zhongshan City is located in the geometric centre of the Guangdong-Hong Kong-Macau Greater Bay Area. It is intended to be a supporting point for the integrated development of the east and west sides of the Pearl River as well as a hub city in the coastal economic belt. Benefiting from reform and development, Zhongshan City will focus on the development of transportation facilities and infrastructure projects in the area to accelerate its integration into the Greater Bay Area.

With the successive launches of the Hong Kong-Zhuhai-Macau Bridge and the Nansha Bridge, Zhongshan, a city already supported by a busy transportation network, will speed up the construction of the road network between the nine major cities in the

“ With the successive launches of the Hong Kong-Zhuhai-Macau Bridge and the Nansha Bridge, Zhongshan, a city already supported by a busy transportation network, will speed up the construction of the road network between the nine major cities in the Greater Bay Area, including the Shenzhen-Zhongshan Bridge, Shenzhen-Zhanjiang Railway, and Guangzhou-Zhongshan-Jiangmen Expressway. ”

Greater Bay Area, including the Shenzhen-Zhongshan Bridge, Shenzhen-Zhanjiang Railway, and Guangzhou-Zhongshan-Jiangmen Expressway. The continuous construction of important transportation facilities will continue to improve the development of the west bank of the Pearl River as well as promote the coordinated development of the east and west banks, to achieve the goal of commuting in the Pearl River Delta within an hour.

From the zonal perspective of Zhongshan City, the pace of development on projects such as the “Three Old” (old towns, old factories and old villages) urban transformation, Qijiang New Town, “Zhongshan Happy Coast” project, an urban rail industrial park and Cuiheng New District have accelerated⁽⁵⁾. The city is committed to building a new city centre that integrates industry, services, living, recreation, scenic landscapes and transportation, a city that is people-oriented, eco-friendly, technologically

⁽⁵⁾ The Chinese Government Website, 7 March 2020: http://www.gov.cn/xinwen/2020-03/07/content_5488333.htm

and financially innovative, has plenty of resources that support innovation, and supports the building of a vibrant science, technology and innovation industry⁽⁶⁾.

Zhongshan City's geographical advantage in the west bank is constantly improving, and it is fast becoming an important transportation hub connecting the two banks of the Pearl River Delta. It is expected to absorb the population, industrial, and resource spill overs from the neighbouring Shenzhen, and the number of people living and working in the city is expected to grow rapidly.

OUTLOOK

In 2020, the global economy will continue to face the combined impact of sluggish growth and the novel coronavirus (COVID-19) pandemic. The US Federal Reserve ("The Fed") took the lead in cutting interest rates, followed by the Bank of Canada. The world at large appears to be shifting to the cutting of interest rates again. In contrast, China has benefited from deleveraging in the past few years - asset prices have gradually fallen back to value and its economic structure has changed from being investment-oriented to one that is consumption-oriented. There's a limit to how much the economy will fall, but the upside potential is increasing. Net exports that were affected by the phased conclusion of the US-China trade deal should be gradually restored, while consumption will ride on the revived trading activities of companies "above designated size" and return to previous high levels of growth again. At the



same time, China's tax reforms on dividends are coming to fruition. In 2019, China's cumulative tax cuts exceeded RMB2 trillion, which will greatly invigorate the real economy of the country and boost consumption. In response to the effects of the COVID-19 outbreak, the Chinese government is expected to look into their monetary and fiscal policies and take positive actions to reduce the short-term impact of the pandemic on the economy⁽⁷⁾.

On 28 January 2020, the Trustee-Manager announced the precautionary measures undertaken at its five shopping malls in response to the COVID-19 spread in China⁽⁸⁾. Since 24 February 2020 upon approval from relevant local authorities, Dasin Retail Trust's four shopping malls – Shiqi Metro Mall, Xiaolan Metro Mall, Doumen Metro Mall and Dasin E-Colour – have resumed normal operating hours. Ocean Metro Mall reverted to its normal operating hours on 2 March 2020. However, the property managers of the malls continue to maintain strict precautionary measures. Shoppers and employees are still required to

wear masks and are subjected to temperature scans before entering the malls. The properties' cleaning teams disinfect the premises on a daily basis to ensure compliance with health and safety standards⁽⁹⁾.

The Chinese authorities are expected to roll out support measures to ease the economic impact of COVID-19. These financial measures⁽¹⁰⁾ include cash injections to increase liquidity and credit easing to render support to private, small and micro-companies, as well as manufacturing companies.

The Trustee-Manager recognised the challenges posed by COVID-19 and the economic impact on businesses. In tandem with various preventive healthcare measures adopted across China, the Trust's asset managers, tenants and businesses from various sectors are facing and proactively addressing the disruptions caused by COVID-19. As a socially responsible organisation, the Trust is exploring various strategies and measures, such as asset enhancement initiatives ("AEI"), to provide support and ride out the near-term headwinds.

⁽⁶⁾ Health Commission of Guangdong Province (2020, March 09). Guangdong Province Decides to Adjust the First-Level Response to Major Public Health Emergencies in the Province to a Second-Level Response. http://wsjkw.gd.gov.cn/zwyw_yqxx/content/post_2905977.html.

⁽⁷⁾ State Taxation Administration (2020, January 20). Consolidating and Expansion of Tax and Fee Reduction (People's Comment). <http://www.chinatax.gov.cn/chinatax/n810219/n810780/c5142964/content.html>.

⁽⁸⁾ "Dasin Retail Trust's Precautionary Measures in Response to the Coronavirus" announcement dated 28 January 2020: <http://ir.dasintrust.com/news.html/id/757056>.

⁽⁹⁾ "Update on Dasin Retail Trust's Operations and Relief Measures for Tenants in Relation to the COVID-19 Situation" announcement dated 19 March 2020 <http://ir.dasintrust.com/news.html/id/767734>.

⁽¹⁰⁾ State Council of the People's Republic of China and People's Bank of China (PBOC).



Unwavered in Partnership for Growth

With the solid support of our Sponsor, Zhongshan Dasin Real Estate which is a leading retail mall operator in the region, we have priority access to prime properties at the most strategic time. This advantage alone gives us unique opportunities for growth moving ahead. Leverage accelerates expansion.

Doumen Metro Mall



**NUMBER OF RIGHT OF
FIRST REFUSAL ("ROFR")**

15

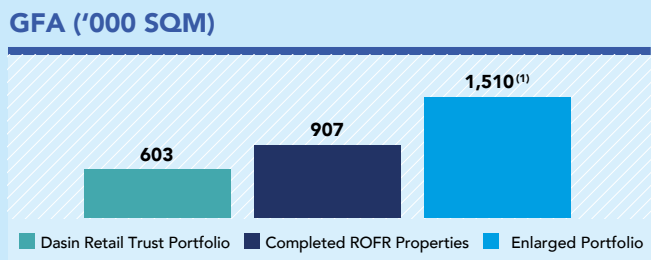
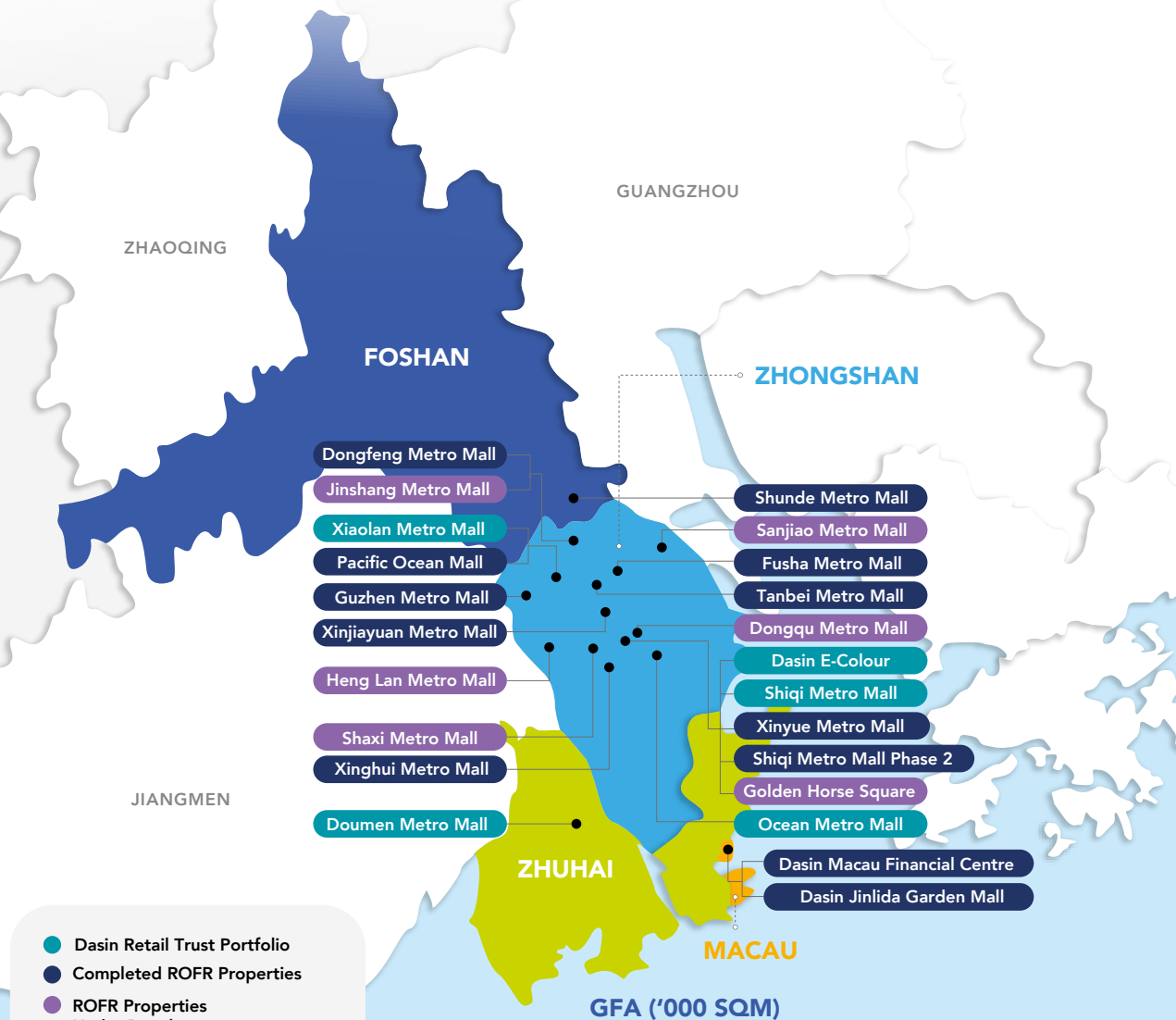
18

**ASSETS GREW TO 18
PROPERTIES COMPARED TO
15 PROPERTIES AT LISTING**

PERFORMANCE REVIEW

Right of First Refusal Properties from Sponsor

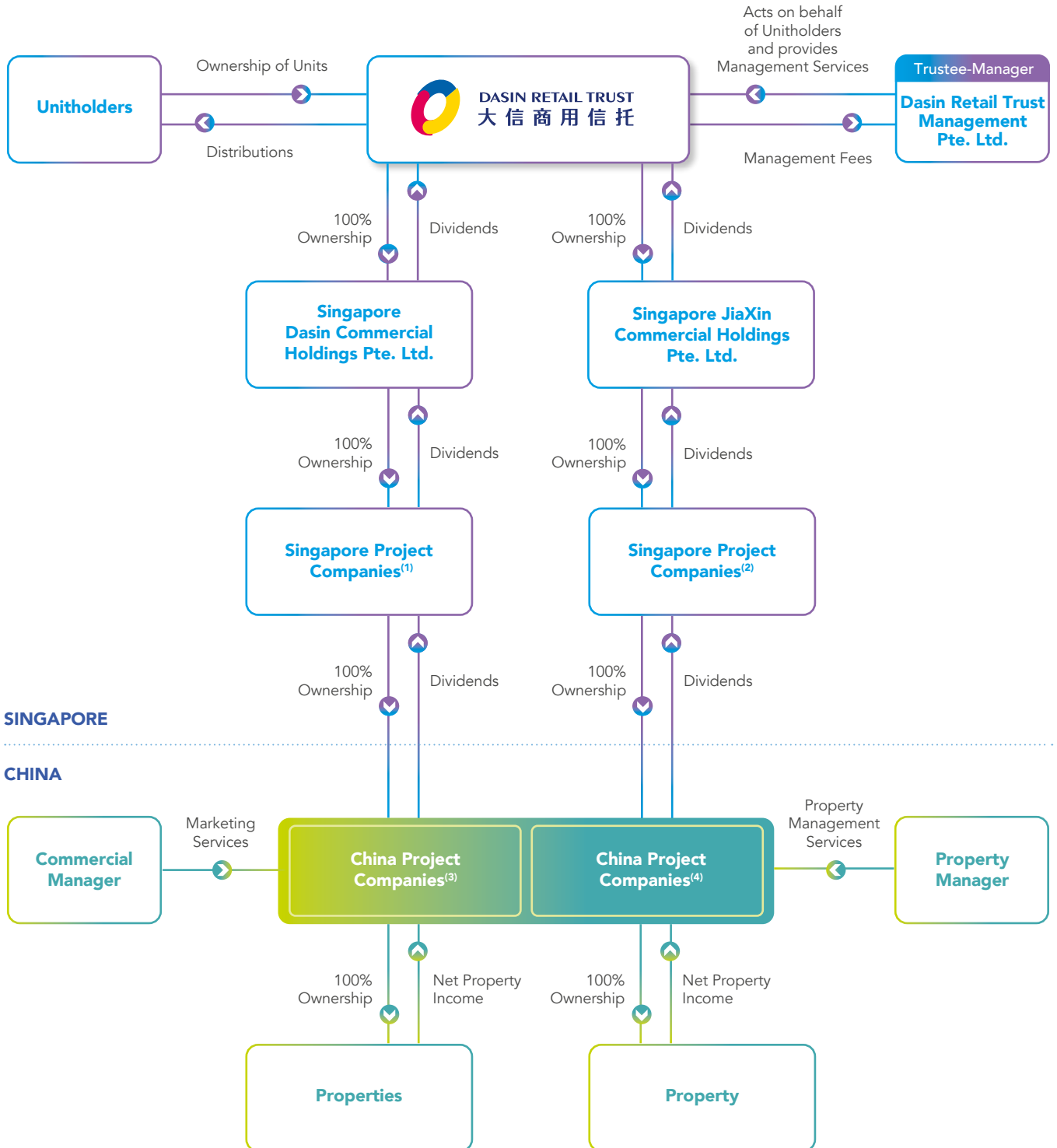
As a result of Dasin Retail Trust’s first right of refusal (“ROFR”) over its Sponsor’s assets, the Trust has access to a pool of high quality properties. At the time of listing, the Trust had 15 ROFR assets; and as at 31 December 2019 the number of ROFR properties owned by the Trust stood at **18**. The Trustee-Manager will undertake a prudent investment approach to inject these properties to enhance the portfolio of Dasin Retail Trust.



(1) Assuming all ROFR assets are acquired.

GOVERNANCE, RISK & SUSTAINABILITY

Trust Structure



Notes:

- (1) Includes Yi Xin Investments Pte. Ltd., Lan Xin Investments Pte. Ltd., Yuan Xin Investments Pte. Ltd., Yi Xin Management Pte. Ltd., Lan Xin Management Pte. Ltd., Sheng Xin Holdings Pte. Ltd., Sheng Xin Management Pte. Ltd. and Sheng Xin Properties Pte. Ltd.
- (2) Includes Jia Xin Holdings Pte Ltd, Jia Xin Investments Pte Ltd and Jia Xin Management Pte Ltd.
- (3) Includes Zhongshan Xinteng Commercial Management Co., Ltd., Zhongshan Xinrui Commercial Management Co., Ltd., Zhongshan Yuanxin Commercial Management Co., Ltd., Zhongshan Yicai Dasin Xinduhui Commercial Management Co., Ltd., Zhongshan Xiaolan Dasin Xinduhui Commercial Management Co., Ltd., Zhongshan Shiqi Dasin Xinduhui Commercial Management Co., Ltd. and Zhongshan Xinkong Commercial Management Co., Ltd.
- (4) Includes Zhuhai Xinmingyang Investment Co., Ltd. and Zhuhai Doumen Dasin Metro-Mall Commercial Management Co., Ltd.

GOVERNANCE, RISK & SUSTAINABILITY

Board of Directors

Mr. Zhang Zhencheng

Chairman and
Non-Executive Director

Mr. Zhang Zhencheng is the Chairman and Non-Executive Director of the Board of the Trustee-Manager. He is also a member of the Nominating Committee.

Prior to joining the Trustee-Manager, Mr. Zhang had been an Executive Director at Zhongshan Dasin Holdings Co., Ltd., a wholly-owned subsidiary of the Sponsor, since February 2015 till September 2015, where he was responsible for the investment strategies of the company. Prior to that, from August 2009 to August 2013, Mr. Zhang was Chairman of the Board of the Sponsor and from September 2013 to January 2015, Mr. Zhang held the position of Executive Director and General Manager of the Sponsor. During this time, he was responsible for investment decisions of the Sponsor, development and management of engineering and commercial projects as well as financial and human resource management. From October 2003 to July 2009, Mr. Zhang was the Deputy General Manager of the Sponsor, where he was primarily responsible for the management of construction projects.

Mr. Zhang graduated with a Financial Accounting major from Zhongshan University of Electronic Science and Technology (Zhongshan Institute), PRC, in July 1997.

Mr. Zhang Zhencheng is the uncle of Mr. Zhang Zhongming.

Mr. Zhang Zhongming

Deputy Chairman and
Non-Executive Director

Mr. Zhang Zhongming is the Deputy Chairman and Non-Executive Director of the Board of the Trustee-Manager. He is also a member of the Remuneration Committee.

Mr. Zhang has been a Non-Executive Director at Zhongshan Dasin Holdings Co., Ltd. from February 2015 to September 2015, and an Executive Director at Zhongshan Dasin Holdings Co., Ltd. since October 2015 till present, where he is responsible for analysing investment opportunities and assisting in the making of investment decisions of the company. From February 2013 to February 2015, he was the Assistant General Manager of the Sponsor, where he was responsible for the feasibility and investment analysis of approximately 30 projects, which included the feasibility of the Guzhen Metro Mall project, Shangri-La hotel project and the Sponsor's proposed investment into Macau. From March 2012 to January 2013, he was the Assistant to the Deputy General Manager of the Sponsor, where he assisted the Deputy General Manager in the examination and analysis of the financial information of the Sponsor and its subsidiaries, and was also responsible for the preparation of the budgets for the various projects undertaken by the Sponsor. Prior to joining the Sponsor, from September 2011 to 2012, Mr. Zhang was the Assistant General Manager of Zhongshan Microfinance Co., Ltd., where he was responsible for building cooperative relationships with various banks, financial institutions and chambers of commerce, and overseeing the business risk analysis and investigation of various companies before procuring financing for those companies.

Mr. Zhang obtained a Master of Mathematics from the University of Oxford, United Kingdom, in July 2011.

Mr. Zhang Zhongming is the nephew of Mr. Zhang Zhencheng.

Dr. Cao Yong

Lead Independent Director

Dr. Cao Yong is the Lead Independent Director of the Trustee-Manager. He is also the Chairman of the Remuneration Committee and member of the Nominating Committee as well as the Audit and Risk Committee.

Dr. Cao joined Nanyang Technological University, Singapore as a lecturer at the Nanyang Business School in March 1993 and was subsequently appointed Associate Professor. He is currently a part-time Professor in Nanyang Technological University, teaching economics and finance. Dr. Cao is also a Professor at the Nanjing University's Business School in PRC, where he teaches finance and supervises PhD students. His areas of research include finance, risk management and the Chinese economy. Since July 2010, Dr. Cao has been an independent director and chairman of the audit committee at Chinese Global Investors Group Ltd., a Singapore-listed company.

Dr. Cao graduated with a Bachelor of Economics from Sichuan University, PRC, in July 1982. He obtained a Master of Economics from the Chinese Academy of Social Sciences Graduate School, PRC, in July 1985. Between January 1987 and December 1992, Dr. Cao attended the Australia National University in Australia, where he obtained a Master of Economics of Development in January 1989 and a Doctor of Philosophy (Economics) in December 1992.

Mr. Sun Shu

Independent Director

Mr. Sun Shu is an Independent Director of the Trustee-Manager. He is also the Chairman of the Nominating Committee and a member of the Remuneration Committee as well as the Audit and Risk Committee.

From September 1985 to December 2012, Mr. Sun held various positions in the Bank of China before retiring in January 2013. From August 2002 to December 2012, Mr. Sun was the Secretary of the Disciplinary Examination Committee of the Communist Party of China for the Guangdong Provincial Branch of the Bank of China, where he was responsible for building and managing the internal control system for the bank. Prior to that, from September 1985 to August 2002, Mr. Sun held the position of General Manager in two different departments in the Anhui Provincial Branch of the Bank of China. From September 1985 to February 1997, he was the general manager of the International Settlement Department where he was responsible for checking and issuing export and import documentation of the Anhui Provincial Branch. From February 1997 to December 2002, he was the general manager of the Chaohu City Branch where he was responsible for the management of its business.

Mr. Sun graduated with an English Major from Hefei Normal College, PRC, in July 1980. He also obtained a Masters in Law from the Central China Normal University in Wuhan, PRC, in September 1985.

Mr. Tan Huay Lim

Independent Director

Mr. Tan Huay Lim is an Independent Director of the Trustee-Manager. He is also the Chairman of the Audit and Risk Committee and is a member of the Remuneration Committee.

Mr. Tan Huay Lim started his career in accounting and audit at KPMG Singapore in April 1981 and was admitted as a Partner in October 1991.

He has over 30 years of experience in the audit of privately-owned enterprises, multi-national corporations and public listed companies, and covered diverse businesses including banking, insurance, manufacturing, trading, fast moving consumer goods, real estate, real estate investment trust, infrastructure, construction, logistics/transport, shipping and food and beverages.

Mr. Tan was a Financial Services Partner and has 23 years of experience in the audit of financial institutions and was the Singapore Head of KPMG Global China Practice from September 2010 until his retirement from KPMG on 30 September 2015. In addition, he was involved in a number of initial public offerings, debt financing and merger and acquisition transactions during his tenure in KPMG LLP.

Mr. Tan is currently an independent, non-executive director and chairman of the audit committee of the following four public companies listed on the main board of Singapore Stock Exchange:-

- Zheneng Jinjiang Environment Holding Company Limited (SGX: BWM)
- Koufu Group Limited (SGX: VL6)
- ASL Marine Holdings Ltd (SGX: A04)
- Elite Commercial REIT Management Pte Ltd, the Manager of Elite Commercial REIT (SGX: MXNU)

Mr. Tan is an Honorary Council Member of Singapore Chinese Chamber of Commerce and Industry and Singapore Hokkien Huay Kuan.

Mr. Tan holds a Bachelor of Commerce (Accountancy) from Nanyang University, Singapore. He is a Fellow Member of the Institute of Singapore Chartered Accountants, the Association of Certified Accountants, UK, and the Certified Practising Accountants (Australia).

GOVERNANCE, RISK & SUSTAINABILITY

Senior Management

Ms. Wang Qiu

Chief Executive Officer

Ms. Wang Qiu was appointed Chief Executive Officer ("CEO") of the Trustee-Manager on 13 March 2020. As the CEO of the Trustee-Manager, she is responsible for leading the growth and development of Dasin Retail Trust, and for overseeing its overall operations. She engages the Board of Directors regularly on strategic matters as well as business strategies' execution.

Prior to her appointment as CEO, Ms. Wang held various appointments within Zhongshan Dasin Holdings Co., Ltd. In November 2011 to February 2020, she was Secretary to the Board of Directors. She took on the additional role of General Manager of the company's Risk Management division in February 2015 to March 2020. In October 2014 and January 2017, she was the team lead spearheading Dasin Retail Trust's initial public offering.

During her tenure with Zhongshan Sheng Xing Co., Ltd from 1999 to 2011, Ms. Wang had assumed a number of positions, including taking on dual roles at different points in time: Assistant to the Chairman cum Assistant to the General Manager, Assistant to the Chairman cum Head of Design, Secretary to the Chairman cum Head of Engineering, and Engineering Technician.

Ms. Wang graduated with a Bachelor of Construction Engineering from Harbin Engineering University. She has received national level recognition for "Design Architecture and Engineering" in China.

Mr. Steven Ng Mun Fai

Chief Financial Officer

Mr. Steven Ng Mun Fai is the Chief Financial Officer of the Trustee-Manager.

Mr. Ng has more than 21 years of experience in accounting and financial-related work, including group accounting and reporting, accounting system implementation, compliance, strategic planning and financial statements preparation.

Prior to joining the Trustee-Manager, Mr. Ng was an Audit Senior Manager with KPMG LLP, Singapore for more than eight years, from December 2006 to September 2015, where he provided audit services to public listed companies, subsidiaries, foreign multinationals, government-linked and private companies in real estate, manufacturing, consumer and industrial market industries.

During this period, he was also responsible for the audit of a number of commercial, industrial and hospitality real estate investment and business trusts. During his employment, Mr. Ng was appointed as head of the "Real Estate, Consumer and Tourism" business unit in 2011 where he served till 2013. He was responsible for operational efficiencies and also oversaw critical functions of the business unit. Between 2008 and 2011, Mr. Ng was department head for an audit unit where he was in charge of overseeing an audit unit of around 70 staff members.

From December 2003 to December 2006, Mr. Ng was an Audit Manager with KPMG in Kuala Lumpur, Malaysia, where he was responsible for planning audit work and also supervising the preparation of financial statements and regulatory reports. Prior to that, he was an Assistant Audit Manager with Ernst & Young in Malaysia from September 1998 to December 2003 where he assisted in preparing statutory financial statements and undertook audit procedures for audit assignments.

Mr. Ng obtained a Bachelor of Commerce degree from Griffith University, Australia. He is a non-practising Chartered Accountant with the Institute of Singapore Chartered Accountants, and a Chartered Accountant with the Malaysian Institute of Accountants. In addition, he is also a member of CPA Australia, Chartered Accountants of Australia and New Zealand, the Chartered Institute of Management Accountants, the Malaysian Institute of Certified Public Accountants, the Chartered Tax Institute of Malaysia and the Malaysian Association of Company Secretaries.

Mr. Lu Zhiqi

General Manager of the
Investment Division

Mr. Lu Zhiqi is the General Manager of the Investment Division of the Trustee-Manager.

Prior to joining the Trustee-Manager, Mr. Lu was the General Manager of Investment & Planning Department at Kaisa Commercial Group Co., Ltd. from July 2014 till October 2015, where he was in charge of investment and capital sourcing for the group commercial unit, as well as product planning for the commercial assets.

From July 2013 to July 2014, he was the Investment Director of Thaihot Group Co., Ltd., where he was responsible for investment affairs in the Guangdong area. From December 2007 to July 2013, Mr. Lu was the Manager of Investment and Asset Management at CapitaLand China Holding Ltd, where he led a regional team in a number of investment and asset management assignments, such as the acquisition of shares in Panyu LiFung Industrial Estate by CapitaLand, and the divestment of Guangzhou Ascott to Ascott Holding.

From April 2005 to December 2007, he was with Evergrande Real Estate Group Limited. During his tenure there, he was Investment Supervisor from April 2005 to February 2006 and was responsible for conducting investment affairs in the Pearl River Delta region, and was subsequently Assistant Manager of Investment and Development from February 2006 to December 2007 where he was responsible for regional investment and project development affairs in the Kunming branch.

Mr. Lu graduated with a Bachelor of Civil Engineering from Anhui University of Science & Technology, PRC, in July 2003. He also obtained a Master of Business Administration from Hong Kong Baptist University, Hong Kong, in November 2012. Mr. Lu is a CFA® Charterholder.

GOVERNANCE, RISK & SUSTAINABILITY

Corporate Governance

ABOUT DRT AND THE TRUSTEE-MANAGER

Dasin Retail Trust ("DRT" or the "Trust") is a business trust constituted on 15 January 2016 under the Business Trusts Act, Chapter 31A of Singapore. DRT was listed on the Mainboard of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 January 2017.

DRT is managed by Dasin Retail Trust Management Pte. Ltd. (the "Trustee-Manager") under the Trust Deed constituting DRT dated 15 January 2016, supplemented by a first supplemental deed dated 27 December 2016. DRT is also principally regulated by:

- (a) the Securities and Futures Act, Chapter 289 of Singapore (the "SFA");
- (b) the Business Trusts Act, Chapter 31A of Singapore (the "BTA");
- (c) the Business Trusts Regulations (the "BTR"); and
- (d) the listing manual of the SGX-ST (the "Listing Manual").

The Trustee-Manager is committed to achieving high standards of corporate governance, business integrity and professionalism in all its activities and has adopted corporate governance practices which are in line with the revised Singapore Code of Corporate Governance 2018 (the "Code"). The Trustee-Manager also ensures that all applicable laws, rules and regulations including the SFA, the BTA, the BTR and the Listing Manual, are duly complied with.

Throughout the financial year ended 31 December 2019 ("FY2019") and at the date of issue of this Corporate Governance Report, the Trustee-Manager complied with the principles and the provisions set out in the Code and where it has varied from any provisions in the Code, appropriate explanations of the reason for variation and an explanation on how the

practices it had adopted are consistent with the intent of the relevant principle are provided.

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1:

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Role of the Board: The Board of Directors of the Trustee-Manager (the "Board") is responsible for the overall corporate governance of the Trustee-Manager. The Board sets the tone to ensure that its affairs are conducted with the highest standards of probity and in compliance with law.

The key roles of the Board are formalised in a Board Charter as follows:

- (a) guiding corporate strategy and directions of the Trustee-Manager to focus on value creation, innovation and sustainability;
- (b) ensuring that the necessary resources are in place for DRT to meet its objectives;
- (c) setting the values and ethical standards of the Trustee-Manager;
- (d) overseeing the performance and proper conduct of the Trustee-Manager;
- (e) establishing and maintaining adequate and effective risk management and internal control systems to monitor and manage risks to an acceptable level; and
- (f) identifying and engaging with key stakeholder groups.

Culture: All the directors of the Trustee-Manager (the "Directors") are to discharge their duties and responsibilities objectively as fiduciaries in the best interests of the DRT at all times and hold management accountable for performance.

The Trustee-Manager has in place a Code of Conduct ("Code of Conduct") which sets an appropriate tone-from-the-top and desired organisational culture and ensures proper accountability. The Code of Conduct addresses concerns relating to conflict of interests between employees, the directors and the Group, the strict prohibition of corruption, business and workplace behavior and the safeguarding of assets, proprietary rights and intellectual property. The Code of Conduct states that the Trustee-Manager does not tolerate any malpractice, impropriety, statutory non-compliance or wrongdoing by staff in the course of their work. The management will not hesitate to take disciplinary action should there be any instances of breach. The Trustee-Manager has in place a Conflicts of Interest ("Conflicts of Interest") policy as disclosed in pages 67 to 69 of this Annual Report to deal with potential conflicts of interest issues.

Provision 1.1 of the Code provides that Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict. Please refer to Conflict of Policy on pages 67 to 69 of this Annual Report which sets out the internal rules and procedures that Directors should observe when facing conflicts of interest.

Training: All Directors understand the Trust's business and were familiarised with their duties and obligations since the IPO and through training sessions. In addition, all Directors are provided with updates and training by professional firms relating to changes to laws and regulations, corporate governance, accounting standards, continuing listing obligations and relevant commercial risks, the costs of which are borne by DRT. Directors also attended site visits in Zhongshan, the People's Republic of China ("PRC") to meet with the local PRC management

team and the operational team to gain more knowledge of the properties and local economic conditions. There is no newly-appointed director to the Board during FY2019. Directors who have no prior experience as a director of an issuer listed on the SGX-ST will be provided with training on the roles and responsibilities of a director of a listed issuer in accordance with the listing rules of the SGX-ST.

Letter of appointment: Directors understand the Trust's business and were familiarised with their duties and obligations since the IPO and through induction training sessions.

Matters reserved for the Board: The Trustee-Manager has formalised a set of internal guidelines for matters reserved for the Board's approval which is clearly communicated to the management team of the Trustee-Manager ("Management") in writing. These include:

- business, strategy and capital expenditure budgets;
- acquisitions and investments exceeding certain threshold limits and any disposals;
- overall corporate strategy and changes to the corporate structure;
- distribution, financial reporting and internal controls;
- company resolutions and announcements;
- material regulatory matters or litigation;
- appointment and removal of Board members, the Company Secretary of the Trustee-Manager ("Company Secretary") and terms of reference for the Board and Board committees; and
- compliance matters associated with the Listing Manual, the BTA or other relevant laws and regulations.

In addition, there is a formalised delegation of authority matrix that sets out financial approval limits for the Board and the Management regarding operational expenditure, capital expenditure, investments, financial costs and cheque signatory arrangements. The Board did not make any delegations of authority to any Board committee or Management to make decisions on any board matters in FY2019 and to date.

Board committees: The Board is supported by the Audit and Risk Committee ("ARC"), Nominating Committee ("NC") and Remuneration Committee ("RC") (collectively "Board committees") in the discharge of its functions. As the Board retains ultimate responsibility on all decisions, all matters discussed at the Board committee meetings are presented to the Board for approval prior to implementation. The terms of reference of the respective Board committees, as well as other relevant information on the Board committees, can be found in the subsequent sections of this Annual Report.

Meetings: Directors attend and actively participate in Board and Board committee meetings. The Board meets at least quarterly, and on an ad-hoc basis if required, as deemed appropriate by the Board members, to review and discuss the performance of DRT and key activities of the Trustee-Manager. The Constitution of the Trustee-Manager and terms of reference for each individual Board committee allow for meetings to be held via telephonic or video conferencing. The Board and Board committees may also make decisions by way of resolutions in writing.

Directors with multiple board representations ensure that sufficient

time and attention are given to the affairs of each company. As disclosed on page 55, the Nominating Committee is satisfied that all Directors gave sufficient time and attention to the affairs of the Trustee-Manager and were able to and have adequately carried out their duties as a Director of the Trustee-Manager for FY2019.

GOVERNANCE, RISK & SUSTAINABILITY

Corporate Governance

The number of Board and Board committee meetings and attendance of each Director at such meetings for FY2019 are set out in the table below.

		Board	Audit and Risk Committee	Nominating Committee	Remuneration Committee
Number of meetings held for FY2019		6	5	2	1
Board member	Membership				
Mr. Zhang Zhencheng	Chairman, Non-Executive Director, member of the NC	5	–	1	1*
Mr. Zhang Zhongming	Deputy Chairman, Non-Executive Director, member of the RC	6	2*	2*	1
Dr. Cao Yong	Lead Independent Director, Chairman of the RC and member of the ARC and NC	6	5	2	1
Mr. Sun Shu	Independent Director, Chairman of the NC and member of the ARC	6	4	2	1*
Mr. Tan Huay Lim	Independent Director, Chairman of the ARC and member of the RC	6	5	1*	1

* By invitation

Board information: Management provides the Board with complete and adequate information, in advance of Board meetings and as required, that enables the Board to make timely and informed decisions to effectively discharge its duties and make a balanced and informed assessment of the performance, position and prospects of DRT.

Management presents the Board with monthly management accounts that include performance summaries. Such reports include a comparison of actuals against budgets and explanatory notes for significant variances for the quarter and year-to-date performance, updates on financial results, market trends and business and operating environment developments. In addition, Management presents the ARC and Board with the relevant ARC and Board papers and related materials, background and explanatory information relating to matters brought

before the Board, and copies of disclosure documents. The information is designed to keep Directors updated on the financial and operational performance and position of DRT. Where the situation requires, Directors are entitled to request for any additional information from Management.

Board's access: The Board has separate and independent access to Management and the Company Secretary at all times.

Company Secretary: The Company Secretary attends to corporate secretarial administration matters and is present at all Board meetings. The role of the Company Secretary has been formally established in the letter of engagement with the Trustee-Manager's and DRT's outsourced corporate secretarial firm. The responsibilities set out include advising the Board on governance matters, facilitating the orientation of new

Directors, assisting the Chairman of the Board in ensuring good information flows within the Board and its Board committees and between Management and Directors, attending all Board and Board committee meetings and circulating minutes in a timely manner. The Company Secretary also provides the Board with updates to regulations and legislations that the Trustee-Manager and DRT are required to comply with, as required.

According to the matters reserved for the Board, the appointment and removal of the Company Secretary is to be decided by the Board as a whole. The current Company Secretary was formally approved by the Board through written resolution.

Professional advice: The Board has access to external legal advisers, external compliance advisers, Company Secretary and independent professional advisers where appropriate. Any such advice will be sought at DRT's expense.

BOARD COMPOSITION AND GUIDANCE

Principle 2:

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board composition: The Board comprises five members, three of whom are Independent Non-Executive Directors and two of whom are Non-Executive Directors. The Chairman of the Board is Mr. Zhang Zhencheng, who is a Non-Executive Director. Mr. Zhang Zhongming is the Deputy Chairman of the Board, who is a Non-Executive Director. There are no Executive Directors appointed to the Board.

At all times, Independent Directors made up a majority of the Board. The Trustee-Manager is in compliance with Rule 210(5)(c) of the Listing Manual of the SGX-ST, which requires the Board to have at least two Non-Executive Directors who are independent and free of any material business or financial connection with the Trustee-Manager and is in compliance with Provision 2.2 of the Code which requires Independent Directors to make up a majority of the Board where the Chairman is not independent.

The composition of the Board complies with the requirements of the BTA and is determined on the following principles:

- (a) at least a majority of the Directors shall be independent from Management and business relationships with the Trustee-Manager;
- (b) at least one-third of the Directors shall be independent from Management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and

- (c) at least a majority of the Directors shall be independent from any single substantial shareholder of the Trustee-Manager.

Board independence: The Board assesses the independence of each Director in accordance with the guidance provided in the Code, the Listing Manual and the BTR. Under the Code, an Independent Director is one who is independent in conduct, character and judgement, and has no relationship with the Trustee-Manager, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of DRT.

Taking into account the views of the NC that has conducted an annual review of the independence declarations submitted by each of the Independent Directors, the Board has determined for FY2019, that Dr. Cao Yong, Mr. Sun Shu and Mr. Tan Huay Lim are independent in accordance with the guidance from the Code and the Listing Manual, and also, for the purposes of Regulation 12 of the BTR, independent from Management and business relationships with the Trustee-Manager, and independent from every substantial shareholder of the Trustee-Manager under the BTR. Mr. Zhang Zhencheng owns 99% of the Trustee-Manager directly. Mr. Zhang Zhongming owns 25% of the Sponsor, and is also the nephew of Mr. Zhang Zhencheng.

The NC also examined the different relationships identified by the Code and the Listing Manual that might impair each Independent Director's independence and objectivity and concluded that all the Independent Directors are able to exercise independent business judgement in the best interests of DRT and the Unitholders.

There is currently no Independent Director who has served on the Board for more than nine years.

Board size: The size and composition of the Board is reviewed at least annually to ensure that the Board has the appropriate balance and mix of skills, knowledge, expertise, experience and other aspects of diversity for effective decision-making. The Board, in concurrence with the NC, is of the view that the current number of five Directors and the composition are appropriate and effective, taking into consideration the scope and nature of DRT's operations. No individual or small group of individuals dominate the Board's decision-making.

Board diversity: The Board has a board diversity policy. The NC will monitor and implement this policy. The Board is committed to ensuring diversity on the Board and will consider establishing an appropriate balance and mix of skills, knowledge, experience, gender, age and the core competencies of accounting or finance, legal and regulatory, business or management experience, industry knowledge, and strategic planning, to avoid groupthink and foster constructive debate. The current Board provides diversity of expertise and knowledge in areas such as real estate, accounting, finance, risk management and business management. This diversity, together with clear allocation of roles and responsibilities, facilitates constructive debate on the business activities of the Trustee-Manager and enables Management to benefit from a diverse and objective set of perspectives on issues that are brought before the Board. The Board may consider gender diversity in the future.

GOVERNANCE, RISK & SUSTAINABILITY

Corporate Governance

Non-Executive Directors: The Non-Executive Directors review the performance of the Trustee-Manager, provide constructive views to Management and assist to develop strategic proposals of the Trustee-Manager.

To facilitate a more effective review of Management, the Non-Executive and Independent Directors, led by the Chairman or other Independent Director as appropriate, communicate on an ad-hoc basis without the presence of Management to discuss Management's performance and any matters of concern.

The Independent Directors meet periodically as required without the presence of other directors, and feedback from these meetings is provided by the Lead Independent Director to the Chairman.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3:

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Chairman and CEO separation: To ensure an appropriate balance of power, increased accountability and greater capacity for independent decision-making, the positions of Chairman of the Board and Chief Executive Officer of the Trustee-Manager ("CEO") are held by two separate persons who are not related to each other. The Chairman of the Board is Mr. Zhang Zhencheng while Mr. Li Wen has served as CEO in FY2019. Mr. Li Wen resigned as CEO and has relinquished his role on 13 March 2020. Following the resignation of Mr. Li Wen, Ms. Wang Qiu was appointed as CEO on 13 March 2020.

The roles of the Chairman and CEO have been clearly separated, with the division of responsibilities set out in writing and approved by the Board as a whole.

The Chairman is responsible for the overall management of the Board as well as ensuring that the members of the Board and Management have appropriate relations and work together with integrity and competency and that the Board engages Management in constructive debate on strategy, business operations, enterprise risk and other plans. Externally, the Chairman ensures effective communication with Unitholders and other stakeholders. The overall role of the Chairman includes:

- (a) leading the Board to ensure its effectiveness on all aspects of its role;
- (b) setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) promoting a culture of openness and debate at the Board;
- (d) ensuring that the directors receive complete, adequate and timely information;
- (e) ensuring effective communication with Unitholders;
- (f) encouraging constructive relations within the Board and between the Board and Management;
- (g) facilitating the effective contribution of non-executive directors; and
- (h) promoting high standards of corporate governance.

The CEO has full executive responsibilities over the business directions and operational decisions in the day-to-day management of the Trustee-Manager.

Lead Independent Director: As the Chairman of the Board is not independent, the Board has appointed Dr. Cao Yong as the Lead Independent Director. The Lead Independent Director

is available to Unitholders where they have concerns and for which contact through the normal channels of the Chairman, the CEO or the Chief Financial Officer of the Trustee-Manager ("CFO") has failed to resolve or is inappropriate or inadequate.

BOARD MEMBERSHIP

Principle 4:

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Nominating Committee's composition:

The Board has established an NC that comprises three Directors, all of whom are Non-Executive Directors. The members of the NC are Mr. Sun Shu, Mr. Zhang Zhencheng, and Dr. Cao Yong who is also the Lead Independent Director. Mr. Sun Shu is the Chairman of the NC. Other than Mr. Zhang Zhencheng, who is a Non-Executive Director, all the other members of the NC are Independent Directors.

Nominating Committee's role: The NC to make recommendations to the Board on all Board appointments. The NC has a formal set of terms of reference approved by the Board that is disclosed on pages 69 and 70 of this Annual Report. A summary of the NC's key responsibilities includes:

- (a) making recommendations to the Board on the review of succession plans for Directors, particularly the Chairman, the CEO and other key management personnel;
- (b) carrying out, at least annually, a formal assessment of the performance and effectiveness of the Board as a whole and that of each of its Board committees and individual Directors, based on the criteria and process implemented by the Board;

- (c) making recommendations to the Board on the review of training and professional development programs for the Board and its Directors; and
- (d) making recommendations to the Board on matters relating to the appointment and re-appointment of Directors (including Alternate Directors, if any).

Multiple directorships: The NC is responsible for reviewing the ability of Directors to devote sufficient time and attention to the affairs of the Trustee-Manager and in particular will take into account multiple directorships and significant principal commitments held by Directors. The Board has discussed and arrived at the conclusion that at present, it will not impose any limits as it has taken the view that the number of directorships and principal commitments that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors. The NC requires Directors to declare any new additional directorships or significant principal commitments during the year to enable the ongoing monitoring of the time commitment, attendance and contributions of Directors to DRT.

Directors' time commitment: The NC ensures that new directors are aware of their duties and obligations. Newly appointed Directors will receive appropriate training and orientation programmes to familiarise themselves with the operations of the Group and its major business processes. Directors who have no prior experience as a director of an issuer listed on the SGX-ST will be provided with training on the roles and responsibilities of a director of a listed issuer in accordance with the listing rules of the SGX-ST. The NC also decides if a Director is able to and has been adequately carrying out his duties as a director of

the Trustee-Manager. As part of the assessment of the performance of each individual Director, there is consideration of whether the Director has carried out his duties adequately where he holds a significant number of listed company directorships. The NC is satisfied that all Directors were able to and have adequately carried out their duties as a Director of the Trustee-Manager for FY2019.

For FY2019, the NC is of the view that the other directorships and principal commitments of the Directors do not hinder them from carrying out their duties and that they have devoted sufficient time and attention in discharging their responsibilities towards the affairs of DRT. The Board is satisfied and has agreed with the view of the NC.

Alternate Directors: The Constitution of the Trustee-Manager and the Trust Deed of DRT contain provisions that allow for Directors to appoint Alternate Directors. No Alternate Director was appointed to the Board in FY2019.

Director appointment and re-appointment: The NC conducts an annual review of the balance, diversity and size of the Board to determine whether any changes are required in relation to the Board composition. Where new Directors are required, the NC will clarify the required skill sets, experience and characteristics of the position and work with external consultants to source candidates. The NC will review and shortlist candidates and provide a recommendation for Board approval. Sufficient information will accompany all resolutions for the Director appointments and re-appointments to enable the Board to make informed decisions.

The current Directors were predominantly sourced through external channels (such as lawyers and bankers) during the IPO process. The Trustee-

Manager conducted a due diligence on each Director to ensure their eligibility for the role and obtained SGX approval prior to their appointment.

Board independence: The Board assesses the independence of each Director in accordance with the guidance provided in the Code, the Listing Manual and the BTR. Under the Code, an independent director is one who is independent in conduct, character and judgement, and has no relationship with the Trustee-Manager, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of DRT.

Taking into account the views of the NC that has conducted an annual review of the independence declarations submitted by each of the Independent Directors, the Board has determined for FY2019, that Dr. Cao Yong, Mr. Sun Shu and Mr. Tan Huay Lim are independent in accordance with the guidance from the Code and the Listing Manual, and also, for the purposes of Regulation 12 of the BTR, independent from Management and business relationships with the Trustee-Manager, and independent from every substantial shareholder of the Trustee-Manager under the BTR. Mr. Zhang Zhencheng owns 99% of the Trustee-Manager directly. Mr. Zhang Zhongming owns 25% of the Sponsor, and is also the nephew of Mr. Zhang Zhencheng.

The NC also examined the different relationships identified by the Code and the Listing Manual that might impair each Independent Director's independence and objectivity and concluded that all the Independent Directors are able to exercise independent business judgement in the best interests of DRT and the Unitholders.

GOVERNANCE, RISK & SUSTAINABILITY

Corporate Governance

Directors' profile: In respect of each Director, the academic and professional qualifications, Board committees served on (as member or Chairman), date of first appointment as a Director, directorships and chairmanships both present and past held over the preceding three years in other listed companies, and other principal commitments, whether executive or non-executive, are set out in pages 46 and 47 of this Annual Report while their unitholdings in DRT and its related corporations as at FY2019 is found on page 98.

Summary of Nominating Committee activities: The NC carried out its function and performed activities to fulfill its responsibilities specified in its terms of reference approved by the Board as disclosed on pages 69 and 70 of this Annual Report.

The NC has reviewed and recommended the appointment of Ms. Wang Qiu as CEO with effect from 13 March 2020 which the Board has accepted, reviewed and determined the independence of the Independent Directors, and decided whether the Directors were able to and have been adequately carrying out his duties as a director of the Trustee-Manager.

BOARD PERFORMANCE

Principle 5:

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Board evaluation and criteria: The Board has implemented a formal annual process for collectively assessing the performance of the Board as a whole, and of each Board committees separately, as well as the contribution by the Chairman and each individual Director to the Board. Each Director is required to complete evaluation questionnaires to submit

an assessment of the Board and the Board Committees, and a peer assessment of each of the other Directors on the Board to assess the contributions by the Chairman and each individual Director to the effectiveness of the Board. In FY2019, the Board performance criteria (as recommended by the NC and approved by the Board) included the composition, structure, processes, access to information, corporate strategy, internal controls, risk management and standard of conduct of the Board and its committees. Board committees are evaluated on the performance of their roles and responsibilities with regards to their respective terms of references and their provision of information to the Board while individual Directors are collectively evaluated on attendance and contributions at Board and Board committee meetings held during the year, and on whether each Director continues to contribute effectively and demonstrate commitment to his roles.

The completed evaluation questionnaires were collated by the outsourced external Company Secretary, and the results were discussed by the NC, with recommendations made to the Board. Based on the review conducted in FY2019, the NC was of the opinion that the Board and Board Committees have met their performance objectives and that each Director has contributed to the overall effectiveness of the Board. The Board accepted the recommendations of the NC.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6:

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Remuneration Committee's composition:

The Board has established a RC that comprises three Directors, all of whom are Non-Executive Directors. The members of the RC are Dr. Cao Yong, Mr. Zhang Zhongming and Mr. Tan Huay Lim. Dr. Cao Yong, who is also the Lead Independent Director, is the Chairman of the RC. Other than Mr. Zhang Zhongming, all the other members of the RC are Independent Directors.

Remuneration Committee's role: The RC makes recommendations to the Board on all remuneration matters. The RC has a formal set of terms of reference approved by the Board that is disclosed on page 70 of this Annual Report. A summary of the RC's key responsibilities includes:

- (a) reviewing and recommending to the Board a general framework of remuneration for the Board and key management personnel;
- (b) reviewing and recommending to the Board the specific remuneration packages for each individual Director and key management personnel; and
- (c) reviewing the Trustee-Manager's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of services to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Although the remuneration of the Directors and employees of the Trustee-Manager is paid by the Trustee-Manager, and not by DRT, the Trustee-Manager is disclosing the information on the remuneration of its Directors, CEO and other key management personnel.

At the RC meeting, the committee discussed and submitted the remuneration framework and specific remuneration packages of each

individual Director and key management personnel to the Board for its approval. The RC reviewed all aspects of remuneration including Director's fees, salaries, allowances, bonuses, share options, share-based incentives and awards, benefits-in-kind, termination payments and termination terms to ensure they are fair. The Board accepted the recommendations of the RC.

Termination clauses: Termination clauses are included in the service agreements for key management personnel. The RC has reviewed and recommended to the Board, which has concurred, that the termination clauses are fair and reasonable and not overly generous. There was no termination of any key management personnel during FY2019.

Remuneration experts: The RC has access to expert advice from external remuneration consultants where required. The Directors sought views on market practice and benchmarks from external remuneration consultants to determine the specific remuneration packages for Directors and key management personnel during the IPO. The Trustee-Manager does not have any relationship with the external remuneration consultants that could affect their independence and objectivity. The Directors' fees received by the Chairman, the Deputy Chairman and the Independent Directors are determined by benchmarking against Directors' fees across the industry. The RC will continue to monitor the need to engage further remuneration consultation services going forward and where applicable, will review the independence of the external firm consulted.

Summary of Remuneration

Committee activities: The RC carried out its function and performed activities to fulfill its responsibilities specified in its terms of reference

approved by the Board as disclosed on page 70 of this Annual Report.

The RC has reviewed and recommended the remuneration of the Directors, all of whom are Non-Executive Directors and key management personnel, proposed the payment of Directors' fees for the financial year ending 31 December 2020 and submitted the same to the Board for recommendation to the shareholders of the Trustee-Manager for approval at the forthcoming Annual General Meeting of the Trustee-Manager. There are no employees of the Trustee-Manager who is a substantial Unitholder, a substantial shareholder of the Trustee-Manager, or an immediate family member of a Director, the CEO or a substantial Unitholder or a substantial shareholder of the Trustee-Manager.

LEVEL AND MIX OF REMUNERATION

Principle 7:

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Remuneration framework: The approved remuneration framework caters for the alignment of remuneration of key management personnel and Directors with each individual's performance and the performance of DRT as a whole. The corporate and individual performance-related elements of remuneration have been established to align the interests of key management personnel with those of Unitholders and other stakeholders with the aim of providing for the long-term interests of Unitholders and to promote the long-term success of DRT, taking into account risk policies and the time

horizon of risks. Appropriate and meaningful measures have been established to assess key management personnel's performance. A significant and appropriate proportion of key management personnel's remuneration is structured so as to link rewards to corporate and individual performance.

Performance conditions: The annual performance incentive is mainly tied to the performances of the Trustee-Manager and DRT and the individual employee across a balanced set of performance indicators including financial, operational, compliance and information technology focus areas to drive value creation. The Trustee-Manager's aim in the long term is to motivate employees to achieve superior performance through such annual performance incentives. Executives who have greater ability to influence strategic outcomes have a greater proportion of overall reward at risk. A significant and appropriate proportion of key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. The corporate and individual performance-related elements of remuneration are designed to align the interests of Directors and key management personnel with those of Unitholders and other stakeholders and to promote the long-term success of the Trustee-Manager.

The RC is of the view that the overall level of remuneration is unlikely to promote behaviour contrary to the Trustee-Manager's risk profile. For FY2019, the RC is satisfied that the performance incentive conditions for key management personnel were met.

Long-term incentives: There are no Executive Directors appointed to the Board and given that DRT was only listed in 2017, the Trustee-Manager currently does not have any plans for long-term incentives in place for key management personnel. The computation of Management Fees is

GOVERNANCE, RISK & SUSTAINABILITY

Corporate Governance

based on market practice and incorporated into the Trustee-Manager's framework to encourage key management personnel to strive for the long-term interests of DRT.

Non-Executive Director remuneration:

The Chairman (who is also a Non-Executive Director), the Deputy Chairman (who is also a Non-Executive Director) and the Independent Directors each receive a uniform Directors' fee benchmarked against Directors' fees across the industry. The fees are reviewed and in line with the level of contribution, taking into consideration the effort and time spent, and role and responsibility. The fees are reviewed annually to ensure that the Independent Directors are not over-compensated to the extent that their independence may be compromised.

The remuneration packages are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Trustee-Manager and key management personnel to successfully manage DRT for the long term.

DISCLOSURE ON REMUNERATION

Principle 8:

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting

remuneration, and the relationships between remuneration, performance and value creation.

Remuneration disclosures: The remuneration of Directors and staff of the Trustee-Manager is paid by the Trustee-Manager, and not by DRT. Nonetheless, the Trustee-Manager is disclosing the information on the remuneration of its Directors, and the remuneration of the CEO and other key management personnel in bands of \$250,000 and a breakdown of the remuneration of the CEO and other key management personnel of the Trustee-Manager in percentage terms with a total remuneration of the key management personnel (including CEO) that is disclosed on page 59 in this report.

The Board has established the RC although the Trustee-Manager is not a listed entity. As regards remuneration policies, the terms of reference of the RC include reviewing and recommending to the Board a general framework of remuneration for the Board and key management personnel.

The Trustee-Manager has put in place a remuneration policy with an aim toward retention of talent, building the strength of Management, and developing key management personnel. This ensures that the business of the Trustee-Manager

remains sustainable, and provides a stable environment with room for continual growth and improvement.

The remuneration package of key management personnel comprises a base fixed cash component, including the base salary and compulsory employer contribution to the key management personnel's Central Provident Fund ("CPF") account, and a variable cash component.

The variable cash component is linked to whether a key management personnel meets performance targets, both personal and that of the Trustee-Manager and DRT. This aligns the achievements of key management personnel with that of Unitholders.

Key management personnel do not receive any remuneration in Units.

The Trustee-Manager believes the current remuneration framework it has in place allows it to attract sufficiently qualified talent. Each employee's salary comprises a fixed and variable component. The fixed component consists of the base salary and compulsory contributions to the employee's CPF account. The variable component consists of an annual bonus plan, which is linked to the performance of the employee and that of the Trustee-Manager and DRT across the preceding year.

The level and mix of each Director's and key management personnel's remuneration are set out below:

Name of Director	Base/Fixed Salary and Statutory Contributions (\$)	Variable or Performance-Related Income/Bonuses (\$)	Directors' Fees (\$)	Benefits-in-Kind (\$)
Zhang Zhencheng	–	–	120,000	–
Zhang Zhongming	–	–	120,000	–
Dr. Cao Yong	–	–	120,000	–
Sun Shu	–	–	120,000	–
Tan Huay Lim	–	–	120,000	–

Name of key management personnel	Base/Fixed Salary and Statutory Contributions (%)	Variable or Performance-Related Income/Bonuses (%)	Benefits-in-Kind (%)
Above \$250,000 to \$500,000			
Li Wen ⁽¹⁾ , CEO	98	–	2
Ng Mun Fai, CFO	80	20	N.M.
Lu Zhiqi, General Manager of Investment Division	83	17	–
Total for CEO and Key Officers		\$868,000	

(1) Mr. Li Wen resigned as CEO of the Trustee-Manager and has relinquished his role on 13 March 2020. Following the resignation of Mr. Li Wen, Ms. Wang Qiu was appointed as CEO of the Trustee-Manager on 13 March 2020.

N.M. = Not meaningful

Provision 8.1 of the Code provides, *inter alia*, that the amounts of remuneration of each individual director and the CEO is disclosed in the annual report. Principle 8 of the Code states that the company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation. The Trustee-Manager has reviewed, assessed and decided to disclose the CEO's remuneration in bands of \$250,000 (instead of on a quantum basis), which constitutes a variation from Provision 8.1 of the Code. This has taken into consideration the commercial sensitivity and confidential nature of remuneration matters, the competitive nature of the real estate management industry, the competitive business environment in which the Trustee-Manager operates and the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place. The DRT and the Trustee-Manager is of the view that the intent of Principle 8 was met. The Trustee-Manager is of the view that disclosure in such manner is not prejudicial to the interests of Unitholders as the indicative range for the CEO's remuneration, as well as the total remuneration for the CEO and other key management personnel of the Trustee-Manager, is made known to

Unitholders, and sufficient information is provided on the Trustee-Manager's remuneration framework to enable Unitholders to understand the link between DRT's performance and the remuneration of the CEO and other key management personnel. In addition, the remuneration of the CEO and other key management personnel of the Trustee-Manager is paid out of the management fees that the Trustee-Manager receives, that the quantum is disclosed in the table above and the basis is disclosed on page 58, rather than borne by DRT.

Substantial shareholders and immediate family remuneration:

Mr. Zhang Zhencheng and Mr. Zhang Zhongming are Non-Executive Directors of the Board. DBS Trustee Limited holds the entire issued share capital of Aqua Wealth Holdings Limited as the trustee of the Zhang Family Trust, of which Mr. Zhang Zhencheng is the settlor, and 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 are the beneficiaries. The power to make investment decisions on behalf of the Zhang Family Trust is conferred

solely on an investment committee, of which Mr. Zhang Zhencheng is the sole member. In addition, Mr. Zhang Zhencheng holds 99% of the interests in the Trustee-Manager directly. Mr. Zhang Zhencheng's remuneration fell between \$100,000 and \$200,000 during FY2019. The remuneration of Mr. Zhang Zhongming, who is the nephew of Mr. Zhang Zhencheng, the Chairman of the Board and is also the son of Mdm. Liang Jinying, one of the beneficiaries of the Zhang Family Trust, fell between \$100,000 and \$200,000 during FY2019. There are no employees of the Trustee-Manager who is a substantial Unitholder, a substantial shareholder of the Trustee-Manager, or an immediate family member of a Director, the CEO, or a substantial Unitholder or a substantial shareholder of the Trustee-Manager and whose remuneration exceeded \$100,000 during FY2019.

Employee share schemes: Based on an assessment of market practices, the Trustee-Manager has determined that it is not necessary to establish an employee share scheme. The RC will continuously reassess the need to implement employee share schemes.

GOVERNANCE, RISK & SUSTAINABILITY

Corporate Governance

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9:

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Risk governance: The Board has overall responsibility for the governance of risk and with the support of the ARC, determines the levels of risk tolerance and risk policies and oversees the design, implementation and monitoring of the risk management and internal control systems in order to achieve strategic objective and value creation. The Trustee-Manager has established adequate and effective risk management and internal control systems addressing financial, operational, compliance and information technology risks.

The Trustee-Manager engaged Ernst & Young Advisory Pte. Ltd. to assist in reviewing and updating the risk registers of the Enterprise Risk Assessment and Assurance Framework ("ERAAF") in year 2018. The ERAAF was developed during the IPO process to help the Board formally identify DRT's financial, operational, compliance and information technology risks. An outline of the Trustee-Manager's Enterprise Risk Management framework is set out on pages 73 to 75 of this Annual Report.

The Trustee-Manager maintains and reviews a risk register which identifies the material risks DRT faces and the corresponding internal controls it has in place to mitigate those risks. These risks are prioritised based on risk appetite and risk tolerance levels that the Board has adopted. Key risks are escalated to, and discussed at the Board level, while all other risks are

handled at Management level and reported to the Board on an exceptional basis.

Compliance: The Board is responsible for ensuring compliance with legislative and regulatory requirements, including requirements under the listing rules of SGX-ST. Directors are updated by the external legal advisers, external compliance adviser, Company Secretary, independent professional advisers and Compliance Manager as required on developments and changes in the laws and regulations affecting DRT and the Trustee-Manager. Policies and reporting obligation checklists have been established with internal procedures pertaining to announcements to SGX-ST and circulars to Unitholders, Interested Person Transactions, ARC reporting and other compliance matter relevant to the rules of the SGX-ST, Monetary Authority of Singapore (the "MAS") and BTA.

Annual review: The ARC, through the assistance of Management, internal and external auditors, reviews and reports to the Board on the adequacy and effectiveness of the Trustee-Manager's system of risk management and internal controls, including financial, operational, compliance and information technology controls. Management and the outsourced internal auditors (Ernst & Young Advisory Pte. Ltd. and KPMG Huazhen LLP) conduct reviews and audits on a regular basis, and the external auditor (Deloitte & Touche LLP) conducts audits on an annual basis that involve testing the adequacy and effectiveness of material internal controls on key risks. Any material non-compliance or lapses in internal controls and its corresponding mitigating actions are reported to the ARC.

CEO and CFO's assurance: On a quarterly basis, the Board receives assurance from the CEO and CFO that:

- (a) the financial records have been properly maintained and the financial statements give a true and fair view of DRT's operations and finances; and
- (b) the risk management and internal control systems are adequate and effective in addressing the financial, operational, compliance and information technology risks faced by DRT.

Board's conclusion: Based on the existing practices and reviews conducted by Management and DRT's internal auditors and external auditors, and in concurrence with the ARC, the Board is of the opinion that the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, are adequate and effective to meet the needs of DRT in its current business environment as at 31 December 2019.

The risk management and internal control systems established by the Trustee-Manager provide reasonable, but not absolute, assurance that the Trustee-Manager will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Separate risk committee: The Board has established an ARC to assist in overseeing the risk management framework and policies and has determined, given the size, scope and nature of the business, it is currently not necessary to establish a separate Board Risk Committee.

AUDIT AND RISK COMMITTEE

Principle 10:

The Board has an Audit and Risk Committee ("ARC") which discharges its duties objectively.

Audit and Risk Committee's composition: The Board has established an ARC that comprises three Directors who are Mr. Tan Huay Lim, Dr. Cao Yong and Mr. Sun Shu. Mr. Tan Huay Lim is the Chairman of the ARC. All members of the ARC are Non-Executive and Independent Directors.

The Board is of the view that all the members of the ARC are appropriately qualified to discharge their responsibilities and have the recent and relevant accounting or related financial management expertise or experience. According to the Directors' profiles that are disclosed on pages 46 and 47 of this Annual Report:

- (a) Mr. Tan Huay Lim has extensive experience as a former audit partner at a chartered accounting firm;
- (b) Dr. Cao Yong is an Adjunct Professor in Singapore and a Professor in China, teaching finance and economics; and
- (c) Mr. Sun Shu has held various positions in a national Chinese bank including responsibilities for building and managing its internal control systems.

None of the ARC members were former partners or directors of DRT's external auditor, Deloitte & Touche LLP within the previous two years, nor do they hold any financial interest in the external auditor.

Audit and Risk Committee's role: The ARC has explicit authority to investigate any matters within its terms of reference and is entitled full access to

Management, especially in terms of resources and information to enable the committee to discharge its duties properly. The ARC has full discretion to invite any Director or Management to attend its meetings.

The Board has established an ARC broadly to make recommendations to the Board on all matters pertaining to the integrity of the financial statements, risk management and internal control systems, internal auditors, external auditors and whistleblowing. The ARC has a formal Board approved terms of reference that is disclosed on pages 99 to 102 of this Annual Report. A summary of the ARC's key responsibilities includes:

- (a) reviewing the significant financial reporting issues and judgements to ensure the integrity of the financial statements and any announcements relating to financial performance;
- (b) reviewing at least annually the adequacy and effectiveness of the risk management and internal control systems, including financial, operational, compliance and information technology risks and controls;
- (c) reviewing the assurance from the CEO and CFO on the financial records, financial statements, risk management and internal controls system;
- (d) reviewing the adequacy, effectiveness, independence, scope and results of the Internal Audit function;
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit;
- (f) making recommendations to the Board on the appointment, re-appointment, remuneration and terms of engagement of the internal and external auditors; and
- (g) reviewing the whistleblowing policy and incidents reported.

Auditors: The ARC meets with the internal and external auditors at least once annually to discuss audit findings and recommendations, without the presence of Management.

The Trustee-Manager has complied with Rules 712 and 715 of the Listing Manual in relation to the appointment of external auditors of DRT. The ARC has undertaken a review of all non-audit services provided by the external auditors and is satisfied that the nature and extent of such services do not affect the independence and objectivity of the external audit. The aggregate amount of audit fees paid and payable by DRT to the external auditors for FY2019 was \$338,000. The aggregate amount of non-audit fee paid and payable to the external auditor in FY2019 was \$98,000.

Whistleblowing: The ARC has reviewed the Whistleblowing Policy that the Trustee-Manager has established and uploaded on DRT's corporate website. The Whistleblowing Policy provides mechanisms such as a secure and confidential channel that allows employees and external parties to report possible improprieties and disclose any wrongdoings such as fraud, misconduct, breach of any laws or any other illegal acts directly to the ARC Chairman. Reports can be lodged via email to whistleblowing@dasintrust.com. In addition, there are policies and reporting mechanisms for employees and customers to raise concerns to Management, who will escalate significant issues to the Board as required. Employees making the report in good faith and without malice are protected from reprisals or victimisation.

The ARC is satisfied that arrangements are in place to ensure independent investigation of such matters and for appropriate follow-up action to be taken.

GOVERNANCE, RISK & SUSTAINABILITY

Corporate Governance

Summary of Audit and Risk

Committee activities: The ARC carried out its function in accordance with Regulation 13(6) of the BTR and the Listing Manual and performed activities to fulfill its responsibilities specified in its terms of reference approved by the Board as disclosed on pages 99 to 102 of this Annual Report.

During FY2019, the ARC has reviewed the quarterly and annual financial statements, the quality and reliability of information for inclusion in financial reports, policies and practices put in place by Management, reviewed the nature, volume and disclosure of Interested Person Transactions (including (i) renewal of Master Lease Agreement of Dasin E-Colour; (ii) the acquisition of Doumen Metro Mall; (iii) the proposed acquisition of Shunde Metro Mall and Tanbei Metro Mall; and (iv) entry into the property management agreements and commercial management agreements for Shiqi Metro Mall, Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour), nominated and recommended the re-election of the internal auditors, external auditors, compliance adviser, reviewed the adequacy, effectiveness and independence of the internal and external auditors, evaluated the performance and approved the remuneration of the internal auditor of the Trust, and recommended the appointment of independent financial adviser, valuers and legal adviser for the acquisitions from interested person. The ARC has assisted the Board to review the adequacy and effectiveness of the risk management and internal control systems, addressing financial, operational, compliance and information technology risks.

Additionally, the ARC has also met with the internal and external auditors, without the presence of Management.

Changes to the accounting standards and issues that have direct impact on

financial statements were reported to and discussed with the ARC by the Management and external auditors, in order for the ARC members to keep abreast of changes to such accounting standards and issues.

In the review of the Group's financial statements, the ARC discussed with Management the accounting principles that were applied and considered the clarity of key disclosures in the financial statements.

ARC's Commentary on significant financial reporting matters

The most significant financial reporting matters considered by the ARC and discussed with both the Management and the external auditors in relation to the Group's financial statements for FY2019 were as follows: -

Accounting for Doumen Acquisition

The Trust acquired Doumen Metro Mall together with its rental management company (the "Doumen Acquisition") via the acquisition of all the equity interests in Singapore Jiaxin Commercial Holdings Pte. Ltd. (the "Doumen Holdco") which was the ultimate holding company of Doumen Metro Mall and its rental management company in September 2019.

The Management assessed that the Doumen Acquisition constituted a business and should be accounted for using the acquisition method in accordance with the International Financial Reporting Standard ("IFRS") 3: *Business Combinations* which requires determination of the acquisition date as well as recognition and classification of the identifiable assets (which mainly consist of investment properties) acquired and liabilities assumed (including provision of deferred tax liabilities) to be measured at fair value in accordance with IFRS 13: *Fair Value Measurement*.

The ARC scrutinised the sale and purchase agreements, opinion of the legal counsels, valuation reports, the relevant supporting documents and read the acquisition steps disclosed in the Trust's circular dated 1 August 2019 and announcements dated 30 June 2019 and 13 September 2019 relating to the Doumen Acquisition.

Based on the review by the ARC and discussions with the Management and the external auditors, the ARC is satisfied that the acquisition of Doumen Metro Mall has been properly accounted for as a transaction with a controlling unitholder by applying the acquisition method in compliance with IFRS 3: *Business Combinations* at the date of acquisition which the DRT obtained control of Doumen Metro Mall.

Valuation of investment properties

The valuation of the Group's investment properties is a key risk due to its significance in the context of the Group's net assets value and that the valuation methodology requires significant judgement about future performance of the investment properties which is inherently uncertain.

The ARC reviewed the objectivity and competency of the external valuer and the appropriateness of the valuation methodologies applied by the valuer in arriving at the market value of the investment properties based on their existing use.

The ARC reviewed the valuation reports and held discussions with the Management, the valuers and the external auditors to review the reasonableness of the key assumptions, the estimation and projection of rental income stream and the underlying key data including the growth rate, occupancy rate, discount, capitalisation and terminal yield rates used in the valuation. The ARC held discussions with the valuers to review the valuation

standards used in the valuation to be in compliance with the International Valuation Standards (“IVS”) and the Royal Institution of Chartered Surveyors’ RICS Valuation – Global Standards.

The ARC was satisfied with the valuation process and concurred with the Management’s assessment to support the carrying value of the investment properties.

The above significant financial reporting matters were also areas of focus for the external auditors who have included these as key audit matters in their audit report set out in this Annual Report.

Internal Audit function: The Trustee-Manager has outsourced its internal audit function to Ernst & Young Advisory Pte. Ltd. (“EY”) under a four-year plan from 2019 to 2022 for Shiqi Metro Mall, Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour, and KPMG Huazhen LLP (“KPMG Huazhen”) for the newly acquired Doumen Metro Mall during 2019. EY and KPMG Huazhen report directly to the ARC and administratively to the CFO. The ARC approved the hiring, evaluation, and compensation of EY and KPMG Huazhen as the internal auditors. EY is co-sourced with the internal audit team of the Trust and the Sponsor and the internal audit function is led and reported by EY, whereas KPMG Huazhen’s engagement was without the involvement of the internal audit team of the Trust and the Sponsor. EY submits its internal audit plan to the ARC for approval at the beginning of each financial year, whereas KPMG Huazhen submits its internal audit plan to the ARC for approval before the commencement of the engagement. The role of EY and KPMG Huazhen is to perform internal controls review for areas as set out in the approved internal audit plan to enable the ARC to assess the adequacy and effectiveness of the risk

management and internal control systems.

Internal Audit standards: The scope of the internal audit covers key aspects of the Trustee-Manager’s internal controls established to address financial, operational, compliance and information technology risks. The internal auditor’s activities performed by EY and KPMG Huazhen are guided by their respective EY’s global internal auditing methodology and KPMG’s global internal auditing methodology both of which are in line with the Standards for the Professional Practice of Internal Auditing as set by The Institute of Internal Auditors, the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) and Control Objectives for Information and Related Technologies (“COBIT”) models.

Internal Audit resources and experience: During the appointment of the internal audit function, the ARC ensured that the internal audit function is staffed with qualified and experienced personnel.

The ARC is of the view that the internal audit function has adequate resources to perform its functions and is independent from the activities that it audits. Internal audit function has unfettered access to all documents, records, properties and personnel, including access to the ARC and has appropriate standing within the Trustee-Manager. The ARC is of the view that the internal audit function was effective for FY2019.

UNITHOLDERS RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11:

The company treats all Unitholders fairly and equitably in order to enable them to exercise Unitholders’ rights and have the opportunity to

communicate their views on matters affecting the company. The company gives Unitholders a balanced and understandable assessment of its performance, position and prospects.

Board’s accountability: The Board is responsible to Unitholders for providing a balanced and understandable assessment of DRT’s performance, position and prospects, including interim and other price sensitive public reports and reports to the regulators (where required). Financial reports and other price sensitive information are disseminated to Unitholders through announcements via SGXNET, press releases and DRT’s website. The Annual Report and the circulars are sent to all Unitholders and are made available on DRT’s website.

Unitholder’s rights: All Unitholders are treated fairly and equitably, and the Trustee-Manager strives to disclose information to inform them of changes in DRT and its business that could materially impact the price and value of its Units in a timely manner, so as to facilitate the exercise of ownership rights by all Unitholders.

Voting procedures: At general meetings, all Unitholders are entitled to attend, participate effectively and vote in person or by proxy, if they are unable to attend in person. Unitholders are informed of such meetings through the annual report or circulars sent to all Unitholders and/or notices published in the newspapers and via SGXNET. The rules governing such meetings and voting procedures are set out in the notice of general meetings. Provision 11.4 of the Code provides that the company’s constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders. Principle 11 of the Code provides, *inter alia*, that the company treats all shareholders fairly and equitably in order to enable them to exercise shareholders’ rights and have the

GOVERNANCE, RISK & SUSTAINABILITY

Corporate Governance

opportunity to communicate their views on matters affecting the company. Voting in absentia by email, mail or fax is not implemented currently, which constitutes a variation from Provision 11.4 of the Code. The Trustee-Manager is of the view that the existing arrangement whereby shareholders have the opportunity to vote by proxy is adequate in enabling Unitholders to exercise their rights and have the opportunity to vote. Moreover, to allow voting in absentia by mail, facsimile or email would lead to authentication and other security related concerns.

Proxy forms must be deposited at the office of Boardroom Corporate & Advisory Services Pte. Ltd., the Unit Registrar of DRT, not less than 48 hours before the time appointed for holding the general meetings.

Conduct of general meetings:

General meetings of Unitholders will be convened at least once annually in accordance with applicable laws and regulations. At general meetings, Unitholders will be allowed to participate effectively by putting forth any questions they may have on the resolutions to be debated and decided upon.

Resolutions: Each distinct issue is proposed as a separate resolution at general meetings. The Trustee-Manager tables separate resolutions at general meetings of Unitholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Trust explains the reasons and material implications in the notice of meeting. All resolutions proposed at general meetings shall be put to vote by way of electronic polling pursuant to Rule 730A(2) of the Listing Manual. All votes cast, for or against, and the respective percentages, in respect of each resolution are tallied and displayed at the meeting and announced via SGXNET after the general meetings.

Attendance at general meetings:

All Directors, the respective Chairmen of the ARC, NC and RC, are usually present and available to address Unitholders' queries at these general meetings. The external auditor will also be present to address queries regarding the conduct of the audit and the preparation and content of the auditor's report and circular. All Directors attended the Annual General Meeting of the Unitholders held on 18 April 2019 and the Extraordinary General Meetings of the Unitholders held on 16 August 2019 and 20 December 2019, other than Mr. Zhang Zhencheng who was not available to attend.

Minutes of general meetings: Minutes of general meetings recording the substantial and relevant comments and queries raised by Unitholders, together with responses from the Board and Management, are prepared by the Company Secretary and are available on DRT's website at www.dasintrust.com.

Distribution Policy: The Trustee-Manager has established an approved Distribution Policy for DRT to distribute 100% of distributable income to Unitholders for the period from 20 January 2017 to 31 December 2018, and from 1 January 2019 onwards, the Trustee-Manager shall make distributions of at least 90% of distributable income to Unitholders.

ENGAGEMENT WITH UNITHOLDERS

Principle 12:

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Investor Relations Policy: The Trustee-Manager has in place an Investor Relations Policy which sets out principles and practices that it applies when providing Unitholders and prospective investors with pertinent information necessary to make well-informed investment decisions.

Additionally, the Trustee-Manager has a dedicated Investor Relations Manager to handle, facilitate and promote regular effective and fair communications between the Trustee-Manager and DRT, and Unitholders, analysts, media as well as the investing community. The Investor Relations Policy sets out a mechanism, being the email address of ir@dasintrust.com, through which Unitholders may contact the Trust with questions and through which the Trustee-Manager may respond to such questions to facilitate dialogue and queries from Unitholders.

Disclosure of information: All material information including DRT's quarterly financial results are publicly available on the SGXNET and DRT's corporate website. For ease of access, DRT's key information, such as disclosed financial information, circulars, reports to Unitholders, SGX announcements, investor presentation slides, distribution notices, annual reports, press releases, other material developments and corporate information are made available on SGXNET and DRT's corporate website (www.dasintrust.com) as soon as practicable. The Trustee-Manager has established protocols to actively avoid inadvertent disclosure to a select group. In rare occasions that such information is inadvertently disclosed, it will be immediately announced to the public via SGXNET. In its disclosure of information, the Trustee-Manager strives to be as descriptive, detailed and forthcoming as possible, rather than give boilerplate disclosures.

Investor engagement: In conjunction with the release of quarterly financial results, the Trustee-Manager conducts meetings with Unitholders and the investing community that may include analysts and the media, to present an update on DRT's performance and developments while having a dialogue with them to solicit and understand their views and feedback in relation to DRT and address their concerns. Presentation slides prepared for these briefings are promptly released on SGXNET and DRT's corporate website to ensure consistency in dissemination of information.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13:

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Material stakeholders: DRT has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. The Trustee-Manager, Property Manager, Commercial Manager and the Sponsor identify and engage with their internal and external stakeholders on an on-going basis and understand the stakeholders' expectations and concerns, for example the employees, investment community, suppliers, tenants, shoppers, government and regulators and local communities as such matters are tailored to their differing needs, and on an annual basis in conjunction with DRT's preparations for sustainability reporting.

Stakeholder engagement: DRT's Sustainability Report at pages 78 to 95 discloses its strategy and key areas of

focus in relation to the management of stakeholder relationship in FY2019.

Current corporate website: DRT maintains a current corporate website (www.dasintrust.com) to communicate and engage with its stakeholders.

INTERESTED PERSON TRANSACTIONS

The Trustee-Manager has adopted an Interested Person Transactions policies and procedures ("IPT Policies and Procedures") and established controls and reporting measures for handling Interested Person Transactions. These ensure that such transactions are conducted on normal commercial terms and are not prejudicial to the interests of DRT and its minority Unitholders.

Further, the Trustee-Manager maintains a register to record all transactions which may be considered as Interested Person Transactions. The register is subject to regular review by the ARC to ensure that the Trustee-Manager's conduct is in accordance with the Listing Manual.

Transactions (whether a single transaction or a series of transactions involving the same Interested Person aggregated over the duration of the financial year) which exceed \$100,000 in value but are below 3% of DRT's net tangible assets are subject to regular review by the Trustee-Manager and quarterly review by the ARC.

Transactions (whether a single transaction or a series of transactions involving the same Interested Person aggregated over the duration of the financial year) which are valued between 3%-5% of DRT's net tangible assets are required to be announced by the Trustee-Manager on SGXNET and are further subject to review by the Trustee-Manager, the ARC and the Directors prior to carrying out such transaction.

Transactions (whether a single transaction or a series of transactions involving the same Interested Person aggregated over the duration of the financial year) which are valued at 5% or above of DRT's net tangible assets are required to be announced by the Trustee-Manager on SGXNET, and are further subject to prior approval from Unitholders, as well as review by the Trustee-Manager, the ARC, the Directors and an independent financial advisor.

The Interested Person Transactions undertaken by DRT in FY2019 are set out on pages 182 and 183 of this Annual Report.

DEALINGS IN DASIN RETAIL TRUST UNITS

The Trustee-Manager has adopted a dealing policy ("Dealing in Securities Policy") and an internal compliance code of conduct with regard to dealings in securities of DRT, in compliance with the principles of Rule 1207(19) of the Listing Manual.

In general, the Trustee-Manager's policy encourages Directors and employees of the Trustee-Manager to hold DRT's Units and not deal in such Units for short-term considerations.

The policy also prohibits the Trustee-Manager, its Directors and employees from dealing in DRT's Units during the period as prescribed in Rule 1207(19)(c) of the Listing Manual ("Prohibition Period") and at any time while in possession of unpublished price sensitive information. Prior to the commencement of the Prohibition Period, an email will be sent out to all Directors, executive officers and employees of the Trustee-Manager as well as certain relevant executives of the Sponsor to inform them of the duration of the period. The Trustee-Manager will also not deal with DRT's securities during the Prohibition Period.

GOVERNANCE, RISK & SUSTAINABILITY

Corporate Governance

STATEMENT OF POLICIES AND PRACTICES

The Trustee-Manager and the Board are responsible for safeguarding the interests of Unitholders and managing the business conducted by DRT. The Trustee-Manager has general powers of management over the business and assets of DRT and its main responsibility is to manage DRT's assets and liabilities for the benefit of its Unitholders as a whole.

The Trustee-Manager, in exercising its powers and carrying out its duties as DRT's Trustee-Manager, is required to:

- treat Unitholders who hold Units in the same class fairly and equally;
- ensure that all payments out of the trust property of DRT (the "Trust Property") are made in accordance with the BTA and the Trust Deed;
- report to the Monetary Authority of Singapore any contravention of the BTA or BTR by any other person that:
 - (i) relates to DRT; and
 - (ii) has had, has or is likely to have, a material adverse effect on the interests of all Unitholders, or any class of Unitholders, as a whole, as soon as practicable after the Trustee-Manager becomes aware of the contravention;
- ensure that the Trust Property is properly accounted for; and
- ensure that the Trust Property is kept distinct from the property held in its own capacity.

The Board will meet regularly to review DRT's business activities and strategies pursuant to its then prevailing investment strategy. Such regular review is aimed at ensuring adherence to the Trust Deed and compliance with any applicable legislation, regulations and guidelines.

The Trustee-Manager also has the following statutory duties under the BTA:

- at all times act honestly and exercise reasonable diligence in the discharge of its duties as DRT's Trustee-Manager in accordance with the BTA and the Trust Deed;
- act in the best interests of all Unitholders as a whole and give priority to the interests of all Unitholders as a whole over its own interests in the event of a conflict between the interests of all the Unitholders as a whole and its own interests;
- not make improper use of any information acquired by virtue of its position as DRT's Trustee-Manager to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the Unitholders; and
- hold the Trust Property on trust for all Unitholders as a whole in accordance with the terms of the Trust Deed.

The Board, in exercising its powers and carrying out its duties as the Trustee-Manager of DRT, has put in place measures in relation to the management and governance of DRT to ensure that the following are met:

- the Trust Property is properly accounted for and is kept distinct from the property held by the Trustee-Manager in its own capacity;
- adherence with the business scope of DRT as set out in the Trust Deed;
- potential conflicts between the interests of the Trustee-Manager and the interests of all the Unitholders of DRT as a whole are appropriately managed;
- Interested Person Transactions are transparent, properly recorded and reviewed;
- expenses and cost allocations payable to the Trustee-Manager out of the Trust Property, and that fees and expenses charged to DRT are appropriate and in accordance with the BTA and the Trust Deed; and
- compliance with the BTA and the Listing Manual.

Trust Property is Properly Accounted For

The Trust Property of the Trust is properly accounted for and kept distinct from the property of the Trustee-Manager held in its own capacity. Different bank accounts are maintained for the Trustee-Manager in its capacity as Trustee-Manager of DRT and the Trustee-Manager in its own capacity, and regular internal reviews are carried out to ascertain that all Trust Property has been fully accounted for.

The financial statements for DRT and the Trustee-Manager are kept separate and distinct and each of the financial statements are duly audited by the external auditor on an annual basis to ensure that the Trust Property is properly accounted for and kept distinct from the property of the Trustee-Manager held in its own capacity.

Adherence to the Business Scope of DRT

The Management provides regular updates to the Board and the ARC about potential projects that it is looking into on behalf of DRT. The Board and the ARC ensure that all such projects are within the permitted business scope under the Trust Deed.

Prior to the carrying out of any significant business transaction, the Board, the ARC and/or the Management will have careful regard to the provisions of the Trust Deed and when in doubt, seek advice from professional advisers.

Potential Conflicts of Interest

The Trustee-Manager has instituted company-wide procedures to deal with conflicts of interest issues. Please refer to pages 67 to 69 of this report for further details.

Interested Person Transactions

The Trustee-Manager has established an internal control system to ensure that all future Interested Person Transactions will be undertaken on normal commercial terms and will not be prejudicial to the interests of DRT and its minority Unitholders. Please refer to page 65 of this report for further details.

Fees payable to the Trustee-Manager

On a quarterly basis, the ARC and Board carry out reviews of the fee and expense payable to the Trustee-Manager in its capacity as trustee-manager of DRT out of the Trust Property. In such reviews, the ARC and Board ensure that fees and expenses charged to DRT are appropriate and in accordance with the Trust Deed.

The fees payable to the Trustee-Manager in respect of its services to DRT are disclosed in pages 117 and 118 of this Annual Report. The fees paid/payable to the Trustee-Manager out of the Trust Property for FY2019 are disclosed in pages 155 to 156 of this Annual Report.

For the year under review, no expenses were paid to the Trustee-Manager from the Trust Property.

Compliance with the BTA and the Listing Manual

The Trustee-Manager has engaged the services of and obtained advice from external legal advisers, external compliance adviser and independent professional advisers from time to time to ensure compliance with the requirements of the BTA and the Listing Manual.

POTENTIAL CONFLICT OF INTEREST

The Trustee-Manager has instituted the following measures to deal with conflicts of interest issues:

- (a) The Trustee-Manager will not manage any other business trust which invests in the same type of properties as DRT.
- (b) All resolutions in writing of the Directors in relation to matters concerning DRT must be approved by a majority of the Directors, including at least one Independent Director.
- (c) Every Director shall observe the provisions of Section 12 of the BTA and Section 156 of the Companies Act relating to the disclosure of the interests of the Directors in transactions or proposed transactions with the Trustee-Manager or of any office or property held by a Director which might create duties or interests in conflict with his duties or interests as a Director. Each Director who is, directly or indirectly, interested in a transaction or proposed transaction with the Trust has to, as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest at a meeting of the Board. A Director shall not vote in respect of any transaction, contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is disqualified from voting.

GOVERNANCE, RISK & SUSTAINABILITY

Corporate Governance

- (d) In respect of matters in which the Sponsor and/or their subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or their subsidiaries to the Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude nominee Directors of the Sponsor and/or their subsidiaries.
- (e) Save as to resolutions relating to the removal of the Trustee-Manager, the Trustee-Manager and its associates are prohibited from voting or being counted as part of a quorum for any meeting of Unitholders convened to approve any matter in which the Trustee-Manager and/or any of its associates has a material interest.
- (f) Where matters concerning DRT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of DRT with an Interested Person of the Trustee-Manager (which would include relevant associates thereof) or DRT, the Board is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of DRT and the Unitholders, and in accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with an Interested Person of the Trustee-Manager or DRT, the

Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts.

- (g) It is also provided in the Trust Deed that if the Trustee-Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee-Manager for and on behalf of DRT with an Interested Person of the Trustee-Manager (acting in its capacity as the trustee-manager of DRT), the Trustee-Manager shall be obliged to consult with a reputable law firm which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee-Manager, on behalf of DRT, has a prima facie case against the party allegedly in breach under such agreement, the Trustee-Manager shall be obliged to take appropriate action in relation to such agreement. The Directors of the Trustee-Manager (including the Independent Directors) will have a duty to ensure that the Trustee-Manager so complies. Any decision by the Trustee-Manager not to take action against an Interested Person of the Trustee-Manager shall not constitute a waiver of the Trustee-Manager's right to take such action as it deems fit against such Interested Person and shall, without

prejudice to the responsibilities of the ARC in relation to Interested Person Transactions, be notified to the ARC.

In addition, to demonstrate the commitment of the Zhang Vendors⁽¹⁾ and Mr. Zhang Zhencheng to DRT and to mitigate any potential conflict of interests, each of the Zhang Vendors and Mr. Zhang Zhencheng (in his personal capacity) had entered into the Sponsor ROFR⁽²⁾.

Pursuant to the Sponsor ROFR, the Zhang Vendors and Mr. Zhang Zhencheng granted rights of first refusal to the Trustee-Manager over future sales of any income-producing real estate or any property development located in the Greater China used primarily for retail purposes, by (i) any one of the Zhang Vendors, Mr. Zhang Zhencheng, any of the entities in which any one of the Zhang Vendors and Mr. Zhang Zhencheng hold more than 50% of the voting rights or controls ("Controlled Entities"), (ii) any existing or future private fund managed by a Controlled Entity, (iii) any associate of the Zhang Vendors or Mr. Zhang Zhencheng, or (iv) any entity in which such associate(s) holds more than 50% of the voting rights or controls. The Zhang Family Trust⁽³⁾ will not be acquiring or holding any real estate or real estate-related assets used for retail purposes apart from the Units and the Zhang Family Trust will not be used to hold any real estate or real estate-related assets used for retail purposes.

(1) Mr. Zhang Kaicheng, Mr. Zhang Jiucheng and Mr. Zhang Zhongming, and each a "Zhang Vendor".

(2) Please refer to Appendix III.

(3) The family trust which 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.

In addition to his personal undertakings, Mr. Zhang Zhencheng has also, in his capacity as the settlor of the Zhang Family Trust, undertaken in the Sponsor ROFR to procure the Family Trustee, as the trustee of the Zhang Family Trust, to grant a right of first refusal to the Trustee-Manager in the event the Zhang Family Trust or its associates, being any entity in which the Zhang Family Trust has a direct or indirect aggregate interest of 30% or more, acquires or holds any Relevant Asset⁽⁴⁾.

MATERIAL CONTRACTS

There are no material contracts (whether subsisting or expired/terminated) entered into by DRT or any of its subsidiary that involve the interests of the CEO, any Director, any controlling Unitholder or any controlling shareholder of the Trustee-Manager, other than (where applicable):

- (a) as disclosed on pages 303 to 339 of the Prospectus dated 13 January 2017; and
- (b) Interested Person Transactions as listed in the Interested Person Transactions section on pages 182 and 183 of this Annual Report.

TERMS OF REFERENCE OF BOARD COMMITTEES

The terms of reference of the following board committees approved by the Board included in this Annual Report are as follows:

- (a) Nominating Committee is on pages 69 and 70;
- (b) Remuneration Committee is on page 70; and
- (c) Audit and Risk Committee is on pages 99 to 102.

APPENDIX I – TERMS OF REFERENCE FOR THE NOMINATING COMMITTEE

(as approved by the Board on 26 February 2020)

The duties and responsibilities of the NC shall include the following:

- (a) determining annually, and as and when circumstances require, whether a Director is independent (for the purposes of the Code, the Listing Manual and the BTR), and providing its views to the Board in relation thereto for the Board's consideration;
- (b) reviewing the independence of any Director who has served on the Board for an aggregate period of more than nine (9) years (whether before or after listing) and whose continued appointment as an independent Director has not been sought and approved in separate resolutions by (i) all Unitholders; and (ii) all Unitholders, excluding Unitholders who also serve as the Directors or the Chief Executive Officer of the Trustee-Manager, and associates of such Directors and Chief Executive Officers;
- (c) where a Director or proposed Director has multiple board representations, deciding whether the Director is able to and has been diligently discharging his duties as a Director, taking into consideration the Director's number of listed company board representations and other principal commitments;
- (d) establish guidelines on what a reasonable and maximum number of such listed company directorships and principal commitments for each Director (or type of Director) should be;
- (e) where the appointment of an Alternate Director to a Director is proposed, determining whether the Alternate Director is familiar with DRT's affairs and is appropriately qualified. Pursuant to Practice Guidance 4 of the Code – Appointment of Alternate Directors, companies should not appoint Alternate Directors for Independent Directors;
- (f) making recommendations to the Board on relevant matters relating to:
 - (i) the review of succession plans for Directors, in particular, the appointment and/or replacement of the Chairman, the CEO and key management personnel;
 - (ii) the process and criteria for evaluation of the performance of the Board, its Board committees and Directors;
 - (iii) the review of training and professional development programs for the Board and its Directors; and
 - (iv) the appointment and re-appointment of Directors (including Alternate Directors, if any).
- (g) reviewing the size and composition of the Board and the Board committees to ensure an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate;
- (h) ensuring that new Directors are aware of their duties and obligations;

⁽⁴⁾ Refer to Appendix III – Sponsor ROFR on pages 71 and 72 of this Annual Report for definition of "Relevant Asset".

GOVERNANCE, RISK & SUSTAINABILITY

Corporate Governance

- (i) proposing objective performance criteria (including the use of peer comparisons and other objective third party benchmarks) and process for the evaluation of the effectiveness of the Board as a whole, taking into consideration the Board's composition (balance of skills, experience, independence, knowledge of DRT, and diversity), Board practices and conduct, and how the Board as a whole adds value to DRT;
- (j) proposing objective performance criteria and process for the evaluation of the effectiveness of each Board committee separately, as well as the contribution by the Chairman and each individual Director to the Board;
- (k) carrying out, at least annually, a formal assessment of the performance and effectiveness of the Board as a whole, and that of each of its Board committees and individual Directors, based on the criteria and process implemented by the Board;
- (l) based on the results of the performance evaluation, provide its views and recommendations to the Board, including any appointment of new members;
- (m) reviewing the appointments and reasons for resignations or terminations of appointment of senior management staff such as the CEO (if not a Director), Chief Operating Officer, Chief Investment Officer, CFO and other relevant senior management staff; and
- (n) reviewing employment of all managerial staff and employees who are related to any of the Directors, substantial Unitholders of DRT, substantial shareholders of the Trustee-Manager or the CEO, and the proposed terms of their employment. A "substantial shareholder" or "substantial Unitholder" is a shareholder or Unitholder (as the case may be) who has an interest or interests in one or more voting shares (excluding treasury shares) or Units (excluding treasury Units) in the company or trust (as the case may be) and the total votes attached to that share or Unit, or those shares or Units, is not less than 5% of the total votes attached to all voting shares (excluding treasury shares) or Units (excluding treasury Units) in the company or trust, in line with the definition set out in section 2 of the Securities and Futures Act, Chapter 289 of Singapore.
- (c) reviewing all aspects of remuneration, including Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind, termination payments and termination terms to ensure they are fair;
- (d) reviewing annually the remuneration of employees who are substantial Unitholders, substantial shareholders of the Trustee-Manager, or are immediate family members of a Director, the CEO, a substantial Unitholder or substantial shareholder of the Trustee-Manager and whose remuneration exceeds \$100,000 during the year;
- (e) reviewing the Trustee-Manager's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
- (f) where an external remuneration consultant is appointed, reviewing whether the remuneration consultant has any relationship with the Trustee-Manager that could affect his or her independence and objectivity; and
- (g) generally, perform such other functions and duties as may be required by the relevant laws or provisions of the Listing Manual and the Code of Corporate Governance (as may be amended from time to time).

APPENDIX II – TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE (as approved by the Board on 26 February 2020)

The duties and responsibilities of the RC shall include the following:

- (a) reviewing and recommending to the Board, a general framework of remuneration for the Directors and key management personnel;
- (b) reviewing and recommending to the Board, the specific remuneration packages for each Director as well as for the key management personnel;

APPENDIX III – SPONSOR ROFR (as defined in the Prospectus dated 13 January 2017)

Each of the Zhang Vendors and Mr. Zhang Zhencheng (in his personal capacity) has on 27 December 2016 granted a right of first refusal to the Trustee-Manager for so long as:

- Dasin Retail Trust is listed and quoted on the Main Board of the Singapore Exchange Securities Trading Limited;
- any one of the Zhang Vendors, Mr. Zhang Zhencheng, any of the entities in which any one of the Zhang Vendors and Mr. Zhang Zhencheng hold more than 50.0% of the voting rights or controls ("**Controlled Entities**"), any of the immediate family of any of the Zhang Vendors and/or Mr. Zhang Zhencheng, and/or any of the entities in which their immediate family hold more than 50.0% of the voting rights or controls, alone or in aggregate, remains as a controlling shareholder of the Trustee-Manager; and
- any one of DBS Trustee Limited (or any replacement or substitute trustee), in its capacity as the trustee of the Zhang Family Trust, the Zhang Vendors, Mr. Zhang Zhencheng, any of the Controlled Entities, any of the immediate family of any of the Zhang Vendors and/or Mr. Zhang Zhencheng, and/or any of the entities in which their immediate family hold more than 50.0% of the voting rights or controls, alone or in aggregate, remains a controlling Unitholder of Dasin Retail Trust, (the "**Right of First Refusal Period**").

For the purposes of the Sponsor ROFR:

- "**control**" means the capacity to dominate decision-making, directly or indirectly, in relation to the financial or operating policies of an entity;
- a "**Relevant Entity**" means any associate of the Zhang Vendors or Mr. Zhang Zhencheng, any entity in which such associate(s) holds more than 50.0% of the voting rights or controls, any of the Controlled Entities or any existing or future private fund managed by a Controlled Entity; and
- a "**Relevant Asset**" refers to any income-producing real estate or any property development, located in the Greater China, which is used primarily for retail purposes. Where such income producing real estate or property development is held by a Relevant Entity through a special purpose company, vehicle or entity (an "**SPV**") established solely to own such real estate or property development, the term "**Relevant Asset**" shall refer to the shares or equity interests, as the case may be, in that SPV. Where such real estate or property development is co-owned by a Relevant Entity as a tenant-in-common, the term "**Relevant Asset**" shall refer to the ownership share of the Relevant Entity in such real estate or property development. For the avoidance of doubt, "**Relevant Asset**" includes any real-estate related asset which is incidental to such real estate or property development.

The Sponsor ROFR shall cover any proposed offer by Mr. Zhang Zhencheng, the Zhang Vendors or a Relevant Entity to dispose of any interest in any Relevant Asset which is owned by Mr. Zhang Zhencheng, the Zhang Vendors or the Relevant Entity (as the case may be) ("**Proposed Disposal**").

If the Relevant Asset is (a) owned jointly by a Relevant Entity together with one or more third parties and if consent of any of such third parties to offer the Relevant Asset to Dasin Retail Trust is required; or (b) owned by a Relevant Entity which is not wholly-owned by each of the Zhang Vendors or Mr. Zhang Zhencheng (as the case may be) and whose other shareholder(s) or private fund investors is/are third parties, and if consent from such shareholder(s) or private fund investors to offer the Relevant Asset to Dasin Retail Trust is required, each of the Zhang Vendors and Mr. Zhang Zhencheng (as the case may be) shall use his best endeavors to obtain the consent of the relevant third party(ies) or other shareholder(s) or private fund investors, failing which the Sponsor ROFR will exclude the disposal of such Relevant Asset. For the avoidance of doubt, the grant by any Relevant Entity of a lease (including a long-term lease) over any such Relevant Asset (or any part thereof) for a rent or other service income shall not constitute or be deemed to constitute a Proposed Disposal for the purposes of this paragraph.

GOVERNANCE, RISK & SUSTAINABILITY

Corporate Governance

The Sponsor ROFR shall:

- be subject to any prior overriding contractual obligations which the Relevant Entity may have in relation to the Relevant Assets and/or the third parties that hold these Relevant Assets;
- exclude the disposal of any interest in the Relevant Assets by a Relevant Entity to its related corporation (as well as transfer of any interest in the Relevant Assets between the Zhang Family) pursuant to a reconstruction, amalgamation, restructuring, merger and/or any analogous event or transfer of shares of the Relevant Entity between the shareholders as may be provided in any shareholders agreement, provided that such related corporation shall first execute and deliver a right of first refusal to the Trustee-Manager on the same terms and conditions; and
- be subject to the applicable laws, regulations and government policies and the listing rules of the SGX-ST, and order, judgement, decree of any court and any other approval required from any regulatory bodies, governmental bodies or other authorities.

In addition to his personal undertakings, Mr. Zhang Zhencheng has also, in his capacity as the settlor of the Zhang Family Trust, undertaken in the Sponsor ROFR to procure the Family Trustee, as the trustee of the Zhang Family Trust, to grant a Right of First Refusal to the Trustee-Manager in the event the Zhang Family Trust or its associates, being any entity in which the Zhang Family Trust has a direct or indirect aggregate interest of 30.0% or more, acquires or holds any Relevant Asset.

Right of First Refusal – Proposed Disposal

Each of the Zhang Vendors and Mr. Zhang Zhencheng shall issue a written notice ("**Offer Notice**"), any time on or after the date the Units in Dasin Retail Trust are first listed on the SGX-ST and during the Right of First Refusal Period, to the Trustee-Manager of any Proposed Disposal.

The Offer Notice shall serve as an offer to sell the interest in the Relevant Asset to the Trustee-Manager, which is the subject of the Proposed Disposal on the terms and conditions as set out in the Offer Notice ("**Sponsor Offer**"). Upon receipt of an Offer Notice, the Trustee-Manager shall have 30 calendar days (or such other period as the parties may agree in writing) to give a written notice of its acceptance ("**Acceptance Notice**") of all the terms and conditions of the Sponsor Offer, failing which the Trustee-Manager shall be deemed to have declined to accept the Sponsor Offer.

Upon receipt of the Acceptance Notice from the Trustee-Manager, the Zhang Vendors or Mr. Zhang Zhencheng or the Relevant Entity (as the case may be) and the Trustee-Manager shall enter into and carry out negotiations in good faith with each other with a view to entering into a binding definitive agreement for the sale and purchase of the Relevant Asset within 60 calendar days (or such other period as the parties may agree) after receipt of such Acceptance Notice.

Failure to Exercise Right of First Refusal

In the event that the Trustee-Manager fails or does not wish to exercise the Sponsor ROFR, the Relevant Entity shall be entitled to dispose of its interest in the Relevant Asset to a third party on terms and conditions no more favourable to the third party than those offered by the Relevant Entity to the Trustee-Manager.

However, if the completion of the disposal of the Relevant Assets by the Relevant Entity does not occur within 12 months from the date of the Offer Notice, any proposal to dispose of such Relevant Asset after the aforesaid 12-month period shall then remain subject to the Sponsor ROFR.

Enterprise Risk Management

Dasin Retail Trust (the “Trust” or “DRT”) and its subsidiaries (collectively, the “DRT Group”) practise a proactive approach towards risk management, which enables the DRT Group to manage risks in a systematic and consistent manner. Under DRT Group’s Enterprise Risk Management (“ERM”) Framework, the Group’s risk parameters and risk appetite are clearly defined and agreed upon by the Board of Directors. These risk limits further delineate the specific boundaries at an operational level.

The Board of Directors (the “Board”) is responsible for the governance of risks across the DRT Group. Their responsibilities include establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including the safeguarding of Unitholders’ interests and the assets of DRT. For these purposes, it is assisted by the Audit and Risk Committee (the “ARC”), which provides oversight over risk management policies and guidelines.

The ARC reports to the Board annually on its review of the adequacy and effectiveness of the risk management system and internal controls including financial, operational, compliance and information technology controls of the DRT Group and the Trustee-Manager, and on the work performed by the ARC during the year based on the terms of reference. At the same time, DRT has outsourced its internal audit function to Ernst & Young Advisory Pte. Ltd. (“EY”) under a four-year plan from 2019 to 2022 for Shiqi Metro Mall, Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour, and KPMG Huazhen LLP (“KPMG Huazhen”) for the newly acquired Doumen Metro Mall during 2019 to perform internal controls review for areas as set out in the approved internal audit plan to enable the ARC to assess the adequacy and effectiveness of the internal control system. EY is co-sourced with the internal audit team of the Trust and the Sponsor and the internal audit function is led and reported by EY, whereas KPMG Huazhen’s engagement was without the involvement of the internal audit team of the Trust and the Sponsor. The ARC may incorporate in its report its observations on any matters under its purview, and may make any recommendations to the Board as it thinks fit.

ENTERPRISE RISK MANAGEMENT FRAMEWORK



IDENTIFY AND ANALYSE



- Setting risk appetite & tolerance level
- Risk identification & prioritisation
- Map risks to business units and key processes
- Analyse controls

MEASURE AND ASSESS



- Analyse the extent of assurance coverage of key risk areas
- Identify gaps in assurance coverage

MONITOR AND REPORT



- Report analysis and assessment results to Board
- Develop Board Risk and Controls Governance Dashboard

GOVERNANCE, RISK & SUSTAINABILITY

Enterprise Risk Management

Management is responsible for the implementation and practice of ERM across the DRT Group. Management proactively manages key risks through identified risk owners and embeds the risk management process in their planning and decision making process.

MANAGING MATERIAL RISKS

The Trustee-Manager undertakes an iterative and comprehensive approach in identifying, managing, monitoring and reporting material risks across DRT Group. Such material risks include:

Foreign Exchange Risk

DRT Group is exposed to fluctuations of the Chinese Renminbi ("RMB"), United States Dollar ("USD") and Hong Kong Dollar ("HKD") against the Singapore Dollar ("SGD").

In order to manage this exposure, the Finance Department proactively monitors the currency exchange market for favorable currency trends. As DRT Group's operations are localised in China, the DRT Group's exposure to foreign exchange risk is primarily due to the remittance of dividends.

Interest Rate Risk

DRT Group is exposed to interest rate risk arising from the onshore and offshore loans. To manage this exposure, the Board has established a hedging policy in line with DRT Group's risk appetite and tolerance. The Trustee-Manager operates within the parameters of this guidelines for transacting in interest rate swaps. On a quarterly basis or as and when there are changes to the hedging status, hedging status is reported to the Board.

Further to this, the Finance Department actively monitors the interest rate trends and favorable rates are communicated immediately to the General Manager of Investment Division, Chief Executive Officer

and a Non-Executive Director for discussion and confirmation of the interest rate swap.

As at 31 December 2019, the Trustee-Manager has hedged 40% interest rate exposure of its offshore debt in relation to acquisition of Shiqi Metro Mall, Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour.

Financing, Funding and Liquidity Risk

The Trustee-Manager manages the capital structure of DRT Group to ensure its debt maturity profile is spread out over a range of years and monitors covenants closely to ensure loan compliance.

The Trustee-Manager constantly and proactively engages the banks on its re-financing plans ahead of the maturity date.

DRT Group's liquidity profile is reviewed in the context of current money market and credit conditions and will be revised from time to time as necessary by the Finance Department. A minimum level of cash balances is maintained and senior management will be informed if there is insufficient cash. Liquidity targets are set out to achieve an optimal balance between the certainties of cash flow and the cost of obtaining the funding.

The Trustee-Manager monitors the Trust's investment deposits and borrowings to ensure sufficient liquidity of DRT Group in the form of cash and banking facilities.

An annual budget and forecast for revenue and expenses is established and monitored by management on a periodic basis. Expenses exceeding the budgeted amount are subjected to special approval by senior management.

Loan financing is obtained prior to commencement of major projects.

Fraud, Business Ethics and Conflicts of Interest Risk

DRT Group is committed to holding a high standard of business ethics in its operations. Training on legal, business ethics and relevant updates in the code of conduct are provided to new and existing employees as and when the need arises. Background checks are carried out for all new employees or when staff are promoted to a key position. A clearly delineated delegation of authority has been established and conflicting duties are segregated from each other.

The Trustee-Manager has established clear policies and procedures on conflict of interest, gifts and entertainment, and whistle-blowing and communicated these policies to all staff. An independent whistle-blowing email channel has been made available for all staff.

Further to the policies and procedures around conflict of interests, controls have been implemented for the maintenance of list of related companies and interested persons, and the transactions. The Internal Audit Department of DRT and the Sponsor further ensures the completeness and accuracy of all related and interested person transactions by carrying out an audit on a quarterly basis. The results of the audit are subsequently reported to the ARC.

Annual and quarterly declarations and ad-hoc declarations for conflict of interest are made by the Directors and Chief Executive Officer.

Leakage of confidential data risk

DRT is subjected to the Personal Data Protection Act (“PDPA”). Personal data (in the form of customer, employees and business partners) is an integral part of DRT Group’s operations and the potential misuse or loss of such data can be damaging to the Group’s reputation. The Information Technology (“IT”) team has put in place end user policies and procedures to govern the handling of confidential data and enhancement of IT general controls.

In the event that confidential data has to be disclosed to third parties, non-disclosure agreements are signed with these parties to protect DRT Group’s interests.

Economic and Market Risk

DRT Group is exposed to adverse macroeconomic developments in the economy. These adverse developments may take the form of a slowdown in consumer consumption and property value or rental rate volatility, which in turn, will lead to a reduction in revenue or inflationary pressure resulting in an increase in costs of DRT.

The Trustee-Manager manages this risk by monitoring significant economic developments in both the global and local financial markets. On a quarterly basis, a review of forecasted results against actual results is performed. Key variances are highlighted and explained to the Board of Directors. The Finance Department also monitors closely the debt maturity of financing instruments to support business operations.

Asset Management and Operating Risk

Asset management and operating risk relates to the risk of underperformance of the assets in DRT Group’s portfolio.

The Trustee-Manager manages asset management and operating risk by adopting a proactive asset management strategy. Trade mix, arrears and sales performance of tenants are closely monitored to ensure that existing assets are optimised to target customers in the area, thereby increasing revenue.

The Commercial Manager, Property Manager and other outsourced service providers provide regular reports on regulatory compliance to the Trustee-Manager. Regular audits are conducted on the Commercial Manager and Property Manager. The Commercial Manager and Property Manager are also regularly assessed against their key performance indicators.

Business Interruption Risk

DRT Group is exposed to business interruption risk arising from external unforeseen events such as fire, earthquakes, outbreak of contagious diseases or other major infrastructure failures, which may significantly disrupt operations at the malls. The Trustee-Manager manages these risks by ensuring that standard operating procedures on dealing with unforeseen circumstances are established and communicated to all staff and ensuring appropriate insurance coverage for property damage, fire and terrorism. Business Continuity Plans for the malls have been developed including table top exercises for crisis events.

GOVERNANCE, RISK & SUSTAINABILITY

Investor Relations

The Trustee-Manager is committed to provide clear, timely and unbiased information about Dasin Retail Trust to the investment community and key stakeholders.

All of the Trust's financial results, presentations for conferences, non-deal roadshows, annual reports as well as minutes of annual general meetings (AGMs) and extraordinary general meetings (EGMs) are published at www.dasintrust.com. Market sensitive news and corporate actions are filed with the Singapore Exchange via the SGXNET and are made available on the Trust's corporate website on the same day of release. This ensures that all stakeholders have timely and equal access to information. Investors may also sign up for email alerts to receive the latest updates on the Trust.

Dasin Retail Trust's second Annual General Meeting (AGM) was held on 18 April 2019. The Board and senior

management were present at the AGM to report on the Trust's performance for the year as well as address questions and comments from the Unitholders. The AGM resolutions were polled electronically and the results are published on SGXNet.

An Extraordinary General Meeting (EGM) was held on 16 August 2019 after we announced the Trust's maiden acquisition of Doumen Metro Mall in Zhuhai City, for Unitholders to understand more about the transaction and to approve the acquisition. Following the successful acquisition of Doumen Metro Mall, the Trustee-Manager announced the proposed acquisition of Shunde Metro Mall and Tanbei Metro Mall in November 2019.

The proposed acquisition was approved by Unitholders at the Extraordinary General Meeting in December 2019.

Throughout 2019, senior management and the investor relations team reached out to investors and analysts in Singapore, Bangkok, Beijing, Hong Kong, Shenzhen and Taiwan through conference calls, one-on-one meetings, conferences and non-deal roadshows. The Trust also supported investor education through its participation in the annual REITs Symposium for the second year. Property visits to the Trust's retail malls in Zhongshan were also conducted for the investment community.



Dasin Retail Trust's EGM held on 16 August 2019

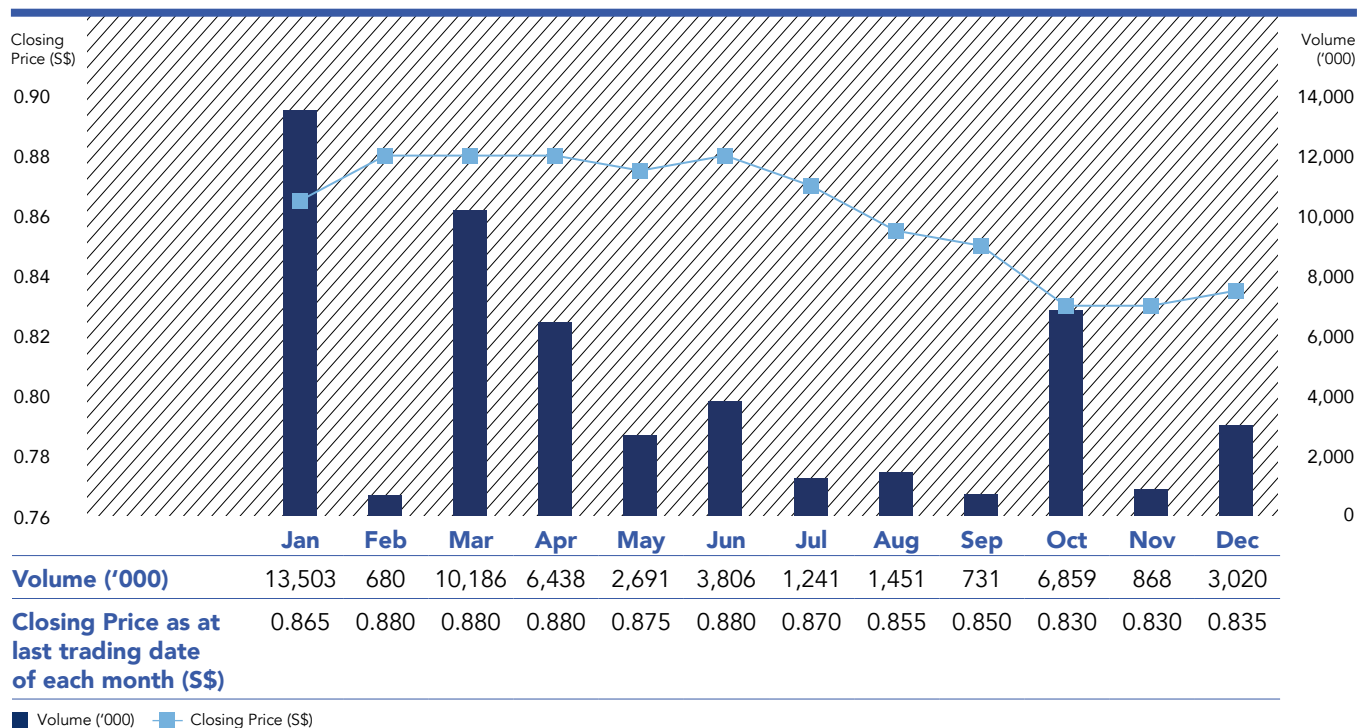
FINANCIAL CALENDAR

Activity/Event	FY2019	FY2020
1Q results announcement	11 May 2019	N.A.
2Q and half-year results announcement	11 August 2019	August 2020 (Tentative)
Payment of First Half Distribution	27 September 2019	September 2020 (Tentative)
3Q results announcement	13 November 2019	N.A.
4Q and full year results announcement	28 February 2020	February 2021 (Tentative)
Payment of Second Half Distribution	30 March 2020	March 2021 (Tentative)
Annual General Meeting	1 June 2020*	April 2021 (Tentative)

N.A. = Not Applicable

* Subject to change

DASIN RETAIL TRUST MONTHLY TRADING PERFORMANCE IN FY2019



DASIN RETAIL TRUST UNIT PRICE PERFORMANCE

Activity/Event	FY2018	FY2019
Opening price on first trading day of the year	S\$0.885	S\$0.855
Highest Unit Price	S\$0.905	S\$0.900
Lowest Unit Price	S\$0.825	S\$0.825
Closing price on last trading day of the year	S\$0.865	S\$0.835
Trading volume ('000 Units)	64,803	51,471
Market Capitalisation (\$ million)	S\$482.37 ⁽¹⁾	S\$540.27 ⁽²⁾

(1) Based on closing price of \$0.865 as at 31 December 2018.

(2) Based on closing price of \$0.835 as at 31 December 2019.

GOVERNANCE, RISK & SUSTAINABILITY

Sustainability Report



80 BOARD STATEMENT

80 SUSTAINABILITY REPORT OVERVIEW

- About this Report
- Materiality Assessment
- Stakeholder Engagement
- Sustainable Development Goals (SDGs)

84 MATERIAL FACTORS

- Economic Performance
- Governance
 - Socioeconomic Compliance
 - Anti-Corruption

85 Employees

- Talent Management
- Training and Education
- Labour/Management Relations

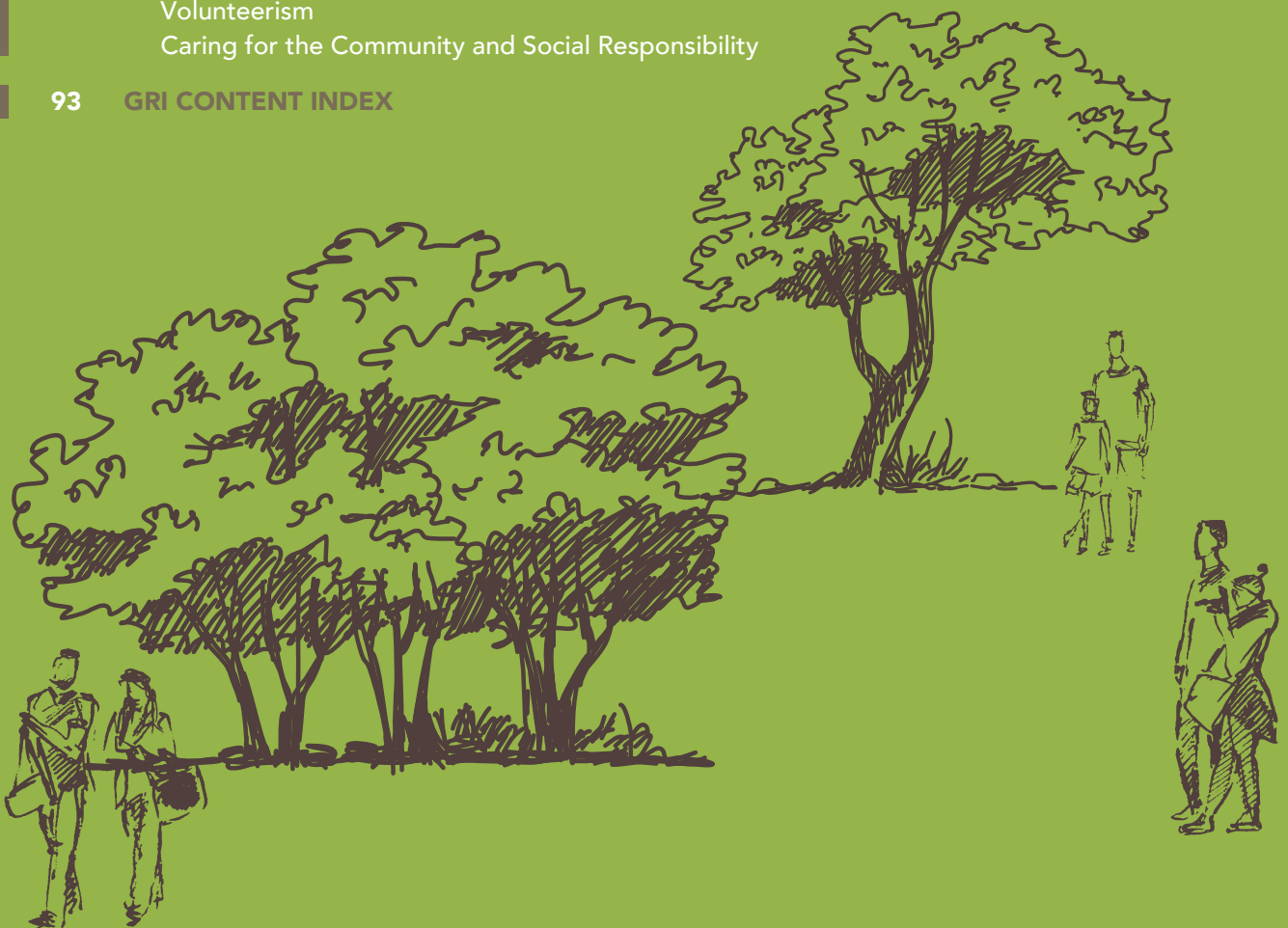
87 Product and Service Responsibility

- Property Managers and Suppliers Assessment
- Marketing and Labelling
- Customer Health and Safety
- Environmental Compliance

89 CSR Activities & Local Communities

- Community
- Education and Donations
- Volunteerism
- Caring for the Community and Social Responsibility

93 GRI CONTENT INDEX



GOVERNANCE, RISK & SUSTAINABILITY

Sustainability Report

“The SSC develops the Trust’s sustainability objectives and strategy and manages overall sustainability performance through close monitoring of the data collection process and reporting of key sustainability matters to the Chief Executive Officer of the Trustee-Manager.”

BOARD STATEMENT

The Board of Directors (the “Board”) at Dasin Retail Trust (the “Trust”) is pleased to present the Trust’s third Sustainability Report (the “Report”) in accordance with the Global Reporting Initiative (“GRI”) Standards: Core Option. This report discloses Dasin Retail Trust’s environmental, social and governance (“ESG”) impact and its commitment towards sustainability.

The Board is supported by the Sustainability Steering Committee (“SSC”) which comprises senior management representatives from the Trust and Trustee-Manager. The SSC develops the Trust’s sustainability objectives and strategy and manages overall sustainability performance through close monitoring of the data collection process and reporting of key sustainability matters to the Chief Executive Officer of the Trustee-Manager.

Supporting the SSC, the Sustainability Task Force (“STF”) undertakes the role of implementing and executing sustainable policies and procedures to drive sustainability programmes across the organisation. The STF is made up of representatives across business functions and divisions of the Sponsor and the Trustee-Manager.

The Board strives to maintain a balanced approach towards sustainability. In addition to maintaining a long-term sustainable cash flow with the goal of maximising investor returns, the Board, together with the management, also seeks to manage relevant ESGs risks and opportunities across the Trust’s assets, to create long-term value for

our stakeholders. The Trust’s sustainability approach is also aligned with the Sponsor’s belief in giving back to the society. The Trust invests in quality shopping malls which foster social bonds by serving as destinations for local communities to get together. As the Trust continues to tap on opportunities of the growing Guangdong-Hong Kong-Macau Greater Bay Area, it also contributes to the sustainability development of the region through the provision of employment and business opportunities.

This report is aligned with the SGX-ST Listing Rules Practice Note 7.6 Sustainability Reporting Guide and charts the Trust’s sustainability practices and performances in FY2019 and the Trust’s targets for the upcoming year.

The Board remains committed to achieving high standards of accountability and transparency across all its functions to ensure the sustainability of its business, as well as safeguard the interests of its Unitholders.

BOARD OF DIRECTORS

Dasin Retail Trust Management Pte. Ltd. in its capacity as Trustee-Manager of Dasin Retail Trust.

SUSTAINABILITY REPORT OVERVIEW

About this Report

This is DRT’s third sustainability report to summarise the Trust’s approach towards sustainability and its ESG performance for the financial year ended 31 December 2019.

The Report covers the following entities which has a significant impact to the Trust’s business and operations.

1. Dasin Retail Trust
2. Dasin Retail Trust Management Pte. Ltd. - includes description of selection process of property managers
3. Zhongshan Dasin Real Estate Co., Ltd. - only includes CSR activities of the Sponsor

The Trustee-Manager values all feedback from all stakeholders as they are integral to the Trust’s sustainability reporting process. Please send your questions and comments to ir@dasintrust.com.

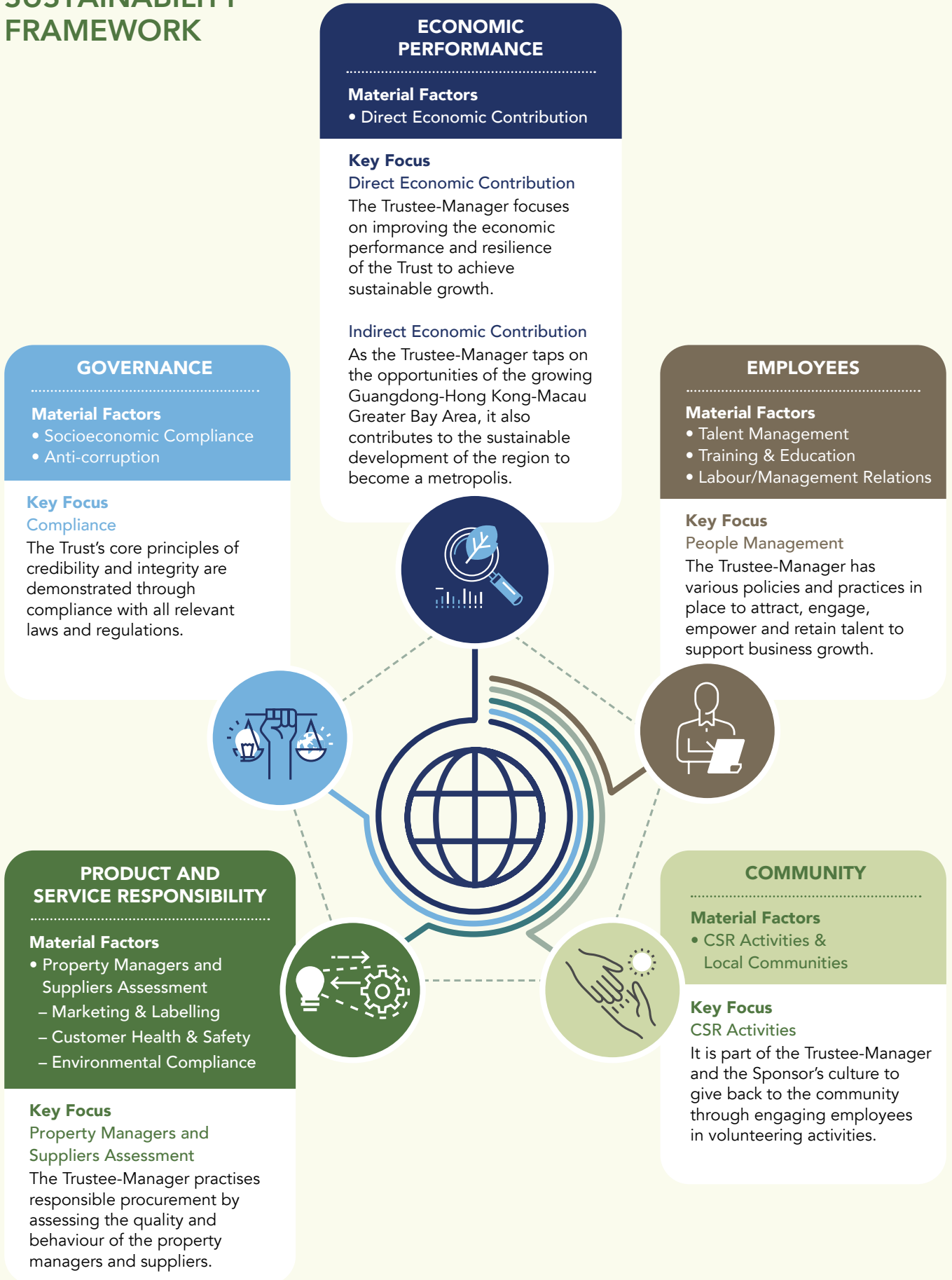
The Report and additional corporate information are also available on the Trust’s website www.dasintrust.com.

MATERIALITY ASSESSMENT

As part of the Trust’s approach to sustainability, materiality assessment exercises are carried out annually to determine the key ESG material issues for its business portfolio. Through a three-step approach, 12 material ESG factors were identified through background research on the Trust’s internal and external factors. Stakeholders involved in the materiality prioritisation process included representatives from the Board, the Trustee-Manager and the Sponsor. The 12 material factors were approved by the Board. DRT’s material factors in FY2019 remained relevant as those identified in FY2018.

The Trustee-Manager’s sustainability framework, which is aligned to its principles of credibility and integrity, covers 5 key pillars and 12 material ESG factors as outlined in the following diagram

SUSTAINABILITY FRAMEWORK



GOVERNANCE, RISK & SUSTAINABILITY

Sustainability Report

Stakeholder Engagement

The Trustee-Manager, Property Managers and the Sponsor engage with their internal and external stakeholders regularly through various channels to understand the stakeholders' expectations and concerns. The table below details the engagement activities with the key stakeholders.

Key stakeholders	Engagement Methods	Frequency	Key Topics of Interest
Board of Directors	<ul style="list-style-type: none"> Quarterly board meetings Regular reporting to the board 	<ul style="list-style-type: none"> Quarterly Regular 	<ul style="list-style-type: none"> Sound corporate governance practices Alignment of sustainability with business strategy Transparent reporting
Employees	<ul style="list-style-type: none"> An Office Automation System used to make timely important announcement to employees Year End Staff Summary Meeting Recreational and team cohesion activities Training Programmes Employee Handbook 	<ul style="list-style-type: none"> Ad hoc Annual Regular Regular Active 	<ul style="list-style-type: none"> Equitable remuneration Fair and competitive employment practices and policies Safe and healthy work environment Focus on employee development and well-being
Investment Community (Investors, analysts, media)	<ul style="list-style-type: none"> Annual General Meeting Extraordinary General Meeting Annual Report Press announcements and SGX filings Contact channels with the Investor Relations team One-on-one meetings / roadshows Site visits for investors / analysts Website Updates 	<ul style="list-style-type: none"> Annual Ad hoc Annual Regular Ad hoc Regular Ad hoc Regular 	<ul style="list-style-type: none"> Sustain profitability and enhance investor returns Transparent reporting Sound corporate governance practices Active portfolio management
Property Managers	<ul style="list-style-type: none"> Regular and random audits and interviews 	<ul style="list-style-type: none"> Regular 	<ul style="list-style-type: none"> Regular and punctual payments upon enlistment of service
Suppliers	<ul style="list-style-type: none"> Regular audits and interviews 	<ul style="list-style-type: none"> Regular 	<ul style="list-style-type: none"> Equitable treatment of business partners Regular and punctual payments upon enlistment of service
Tenants	<ul style="list-style-type: none"> Annual Meetings for tenants Tenant activities at the malls such as the annual Production Safety Month Program 	<ul style="list-style-type: none"> Annual Regular 	<ul style="list-style-type: none"> Safety and security of the malls Competitive rent Responsiveness to tenant requests and feedback
Shoppers	<ul style="list-style-type: none"> Customer Service Centre Activities at the malls 	<ul style="list-style-type: none"> Ad hoc Ad hoc 	<ul style="list-style-type: none"> Shopping Experience Quality of Service Safety and hygiene of the malls
Government and regulators	<ul style="list-style-type: none"> Mandatory reporting as required for compliance purpose 	<ul style="list-style-type: none"> Regular 	<ul style="list-style-type: none"> Compliance with local laws and regulations
Local Communities	<ul style="list-style-type: none"> Various volunteer activities as described in the section "CSR Activities & Local Communities Pages 89 to 92 	<ul style="list-style-type: none"> Regular 	<ul style="list-style-type: none"> Contributions to local communities Responsible and ethical business practices

Sustainable Development Goals (SDGs)

Dasin Retail Trust Management Pte. Ltd. (the “Trustee-Manager”) is supportive of the 2030 Sustainable Development Goals (SDGs) outlined by the United Nations (UN) in 2015. Some of the key sustainability focuses and activities in relation to the 5 key SDGs are outlined in the table below.

Sustainability Pillar	Material ESG Factors	United Nations Sustainable Development Goals (UN SDGs)	Activities
Community	<ul style="list-style-type: none"> CSR Activities and Local Communities 	  	<p>The Trustee-Manager and Zhongshan Dasin Real Estate Co., Ltd. (the “Sponsor”) make philanthropic donations and carry out various volunteer activities to help those in need such as people suffering from major diseases, accidents, natural disasters or family poverty.</p> <p>The Trustee-Manager and the Sponsor also actively participate in other health-related programmes such as charity walk, health awareness outreach programmes and blood donation events.</p>
Employees	<ul style="list-style-type: none"> Talent Management Training and Education Labour/Management Relations 		<p>The Trustee-Manager takes a holistic approach to ensure that it provides a fair, open and rewarding environment for its employees.</p>
Economic Performance	<ul style="list-style-type: none"> Direct Economic Contribution 		<p>The Trustee-Manager contributes to the sustainable development in the Guangdong-Hong Kong-Macau Greater Bay Area through providing jobs and business opportunities, facilitating community bonding and indirectly improving the standard of living.</p>

GOVERNANCE, RISK & SUSTAINABILITY

Sustainability Report

MATERIAL FACTORS

Economic Performance

The Trustee-Manager focuses on improving the resilience of the Trust through active management of its assets as well as growth opportunities through acquisitions to achieve sustainable growth. The Trust's economic performance has a positive impact on its stakeholders. Internally, it allows the Trust to deliver stable distributions to Unitholders as well as rewards to employees. Externally, the Trust contributes positively to the local economy, community and environment through the provision of employment and business opportunities.

Please refer to the Financial Statements on pages 97 to 178 of this Annual Report for more information.

Governance

Socioeconomic Compliance

The Trustee-Manager recognises that robust corporate governance practices are important and adheres to the highest standards of these practices which ensure compliance to applicable laws and regulations. The Trustee-Manager conducts its business operations in line with its core principles of credibility and integrity. Details of the Trust's corporate governance framework and policies can be found on pages 50 to 72 of this Annual Report.

Annual compliance checks by the Compliance Department of the Trust on the Property Managers are in place to monitor and manage the risk of non-compliance with laws and regulations. The compliance officer, who works closely with the various heads of functions, monitors and manages all compliance related matters. In addition, training is provided to staff to raise greater awareness and knowledge of applicable laws and regulations.

Socioeconomic Compliance

Credibility



Integrity



In 2019, there was no significant incident of non-compliance with relevant socioeconomic laws and regulations.

The Trustee-Manager will continue to keep abreast of changes in relevant laws and regulations and maintain the Trust's compliance status to uphold a strong reputation on governance.

Anti-Corruption

The Trustee-Manager maintains a zero-tolerance attitude towards bribery, fraud and corruption and complies with the Independent Commission Against Corruption (ICAC) national and organisational standards so as to protect the interests of our stakeholders.

To safeguard the Trust's interest and prevent any improper or illegal behaviour, the Trustee-Manager has in place a sound system of internal controls which includes the anti-corruption and anti-violation management procedures to identify and monitor compliance risks. Policies including the anti-corruption policy and

whistle blowing policy are also in place and expected to be adhered to. An independent whistle-blowing email channel is also available for all staff.

The Trustee-Manager's zero tolerance towards any wrongdoings is communicated to all employees. All new employees are briefed on key policies and are required to sign the Confidentiality Agreement upon joining the company. In addition, the Trustee-Manager has a staff training management system which provides clear guidance and regular training on ethics and professional conduct. The Trustee-Manager has also established clear policies and procedures on conflict of interest, gifts and entertainment.

The Trustee-Manager aims to maintain zero incidence of corruption in the coming year through continuous efforts in educating staff, building awareness of anti-corruption initiatives and maintaining strong ethics and integrity.

Performance against 2019 Targets

- Achieved zero incidence of material non-compliance with applicable laws and regulations and corruption

2020 Targets for Socioeconomic Compliance and Anti-Corruption

- Continue to maintain zero incidence of material non-compliance with applicable laws and regulations
- Continue to maintain zero incidence of corruption

“ A positive work environment is vital to motivate, attract and retain talent. The Trustee-Manager aligns and benchmarks its remuneration framework with reference to industry practices. Employees are incentivised through the provision of annual performance bonuses for staff in Singapore and China.”

Employees

Talent Management

The Trustee-Manager recognises that employees are vital to the Trust's success and the ability to attract and retain talent is critical to the long-term sustainability of its business. The Trustee-Manager's human capital initiatives place strong emphasis on talent development, employee wellness and competitive compensation. To motivate and retain talent, the Trustee-Manager has in place employee engagement initiatives including career development, training and education, reward and recognition programmes, health and well-being initiatives, employee feedback channels and volunteer activities.

The Trustee-Manager has a set of Human Resource ("HR") policies which adheres to relevant labour laws and regulations in China as well as in Singapore. These policies are in place to govern the recruitment, retention and development process and cover areas such as promotion and performance appraisals, labour contract, training to enhance the Trust and employees' overall effectiveness. All human resource policies are made available to employees via inclusion in the Employee Handbook.

The Trustee-Manager believes fair employment principles are essential for the Trust to remain competitive. Fair employment principles are stated in the HR Hiring Policy where selection and recruitment as well as employees' benefits and compensation are adopted through a comprehensive assessment process based on merits such as skills, experience and performance.

A positive work environment is vital to motivate, attract and retain talent. The Trustee-Manager aligns and benchmarks its remuneration framework with reference to industry practices. Employees are incentivised through the provision of annual performance bonuses for staff in Singapore and China. Other employee benefits include family visit benefits, birthday leave, mobile allowance, over-time compensation and meal allowance for employees below managerial levels. Employees are protected under a comprehensive company insurance plan which covers term life, critical illnesses, hospitalisation, visits to specialists and outpatient visits.

The Trustee-Manager actively promotes a positive and productive working environment. To forge stronger

bonds among employees, quarterly team-building activities and annual celebrations during festive seasons, are organised.

The Trustee-Manager will continue to commit to fair employment practices and constantly review and maintain a competitive employee compensation and benefits package with reference to industry practices, to attract, retain and motivate talent.

GOVERNANCE, RISK & SUSTAINABILITY

Sustainability Report

Training and Education

The Trustee-Manager provides training and development programmes to ensure that employees have the knowledge and skills to excel in their roles. The HR Department of the

Trustee-Manager works closely with the various Heads of Departments to identify and manage learning development needs. A comprehensive Training Management System is in place to support the professional

development of all staff. Employees are also encouraged to take the initiative to discuss with their Head of Department on their individual training goals and needs.

Training Category	Examples of Training Topics
Professional	<ul style="list-style-type: none"> • Crowd psychology seminar • Career communication training • Foreign capital policy and investment performance appraisal and training
Law and Compliance	<ul style="list-style-type: none"> • Basic tax treatment and case analysis of real estate enterprises • 2019 financial audit focus and enterprise tax crisis resolution
Finance	<ul style="list-style-type: none"> • 2019 research about the latest adjustment and practical application of Chinese accounting standards • The immediate impact of tax credit rating on enterprises • Key and difficult points in deepening the reform of value-added tax training in 2019
Human Resources	<ul style="list-style-type: none"> • Practical operation of labour law (1) • Practical operation of labour law (2)
Health and Safety	<ul style="list-style-type: none"> • Healthy Women's Day - Women's health knowledge seminar • Scientific lifestyle and health seminar
Others	<ul style="list-style-type: none"> • How to improve efficiency and team cohesion

Labour/Management Relations

The Trustee-Manager highly encourages a culture of open communication as part of a nurturing work environment.

Two-way feedback between employer and employee is highly encouraged. Processes and platforms are in place for employees to highlight issues and other feedback to higher levels of management or the HR Department of the Trustee-Manager.

An annual Staff Strategic Meeting is conducted at the end of the year to review and commend work done and at the same time provides an opportunity to set strategies for the forthcoming year.

Staff are kept abreast of the latest announcements and updates on the Trust via the internal Office Automation System, an intranet

developed specifically for staff of the Trustee-Manager. This automated system allows for dissemination of

important messages such as company policies as well as operational changes to employees in a timely manner.

Performance against 2019 Targets

- Commitment to maintain a competitive employee compensation and benefits package
- Various suitable training programmes were identified and offered to employees
- Commitment to ensure frequent and effective communication between senior management and employees through weekly team meetings
- Quarterly Team bonding activities were organised

2020 Targets for Talent Management, Training and Education and Labour/Management Relations

- Continue to review and maintain a competitive employee compensation and benefits package with reference to industry practices, to attract and retain talent
- Continue to develop and review the training programmes to help employees to reach their full potential
- Identify and recommend suitable training programmes to employees
- Continue to improve the frequency and effectiveness of communication between senior management and employees
- Organise quarterly activities for team bonding

Products and Service Responsibility

Property Managers and Suppliers Assessment

Since its establishment, Dasin Retail Trust has adhered to the principle of integrity in its operation, and has made transparency and fairness integral to its transactions with suppliers. It endeavours to find suppliers with common values through a process of selection, evaluation and feedback, with the aim of establishing a win-win cooperation based on integrity and stability.

The Trust outsources the bulk of its property and operation management services to commercial and property management companies ("property managers"). The selection of the property managers' suppliers must be subject to qualification review as well as a process of invitation to tender conducted by independent procurement departments. The establishment of a supplier's evaluation feedback mechanism provides a basis for continued cooperation.

The property managers created the "Business Partners Red and Blacklist Management System" as part of its management of supplier selection and evaluation. Companies or individuals with good integrity, reliability and a high degree of cooperation will be included in the "red list" for continued cooperation. Companies or individuals assessed as untrustworthy will be included in the "blacklist" and stripped of their qualification to any further cooperation.

A combination of periodic and irregular reviews is adopted to determine the lists. The audit departments are responsible for the investigation of the red and blacklists as well as for the definition and implementation responsibilities of relevant entities. All companies and departments must shoulder the responsibility of

supervising and inspecting the performance of the supplier-partners under their jurisdiction and to present their assessment of these partners.

In 2019, none of the suppliers in partnerships with the Trust were added to the "blacklist" and "red list".

Marketing and Labelling

The importance of attractive marketing and promotion should be acknowledged, but a company's accountability to customers should be embodied in its accurate conveying of information and lawful publicity. Lawful and compliant publicity serves as an important guarantee for building a mall brand trusted by businesses and consumers alike; it also establishes an industry benchmark and promotes progress in the industry. The Trust recognises this and strictly abides by the laws and regulations on publicity in China and Singapore to ensure that information delivered to consumers is reliable, accurate and in accordance with social ethical standards.

The marketing and publicity of Dasin Retail Trust falls under the responsibility of the special planning department of the property managers. All marketing and promotional content and materials must be approved before they can be made public.

During the reporting year, there was no incident related to the violation of marketing, promotion and product labelling laws and regulations. Going forward, the Trust will continue to take a prudent stance in its marketing strategy and require property managers to continue to maintain a clean compliance record.

Customer Health and Safety

Safety

Safety remains the top priority of Dasin Retail Trust in all work matters. We firmly believe in keeping our customers and employees safe,

and this can be seen in how work is conducted on a daily basis.

In terms of system setting, in addition to the "Safety Management System" that has been consistently implemented, the property managers supplemented and revised the "Safety Management System" based on actual conditions, and added the "Fire/Monitoring and Control Room Management System", "Safety Patrol Inspection and Inspection System", "Construction Safety Management System", "Holiday and Natural Disaster Duty System" and so on in 2019, further clarifying safety management responsibilities.

Our malls are equipped with a comprehensive security system, complete with security monitoring and fire protection systems. Property managers inspect the above facilities regularly and replace all damaged and ageing equipment in a timely manner. All properties are equipped with anti-terrorism and explosion-proof equipment, and the government security department is invited to explain and demonstrate the usage of such equipment to the relevant personnel every month.

Emergency drills continue to be conducted in the malls in 2019 to ensure that such events can be dealt with and handled in the fastest and most efficient manner. They include drills for fire emergencies, terror attacks, gas leaks, elevator breakdowns, flooding and power outages.

Property managers are also committed to spreading the message of safety management by actively organising and participating in various charity and public events with a safety theme. In 2019, Doumen Metro Mall collaborated with the Doumen District Education Bureau to launch "From School to Dasin – Safety Experience Activity". In conjunction with the activity, a

GOVERNANCE, RISK & SUSTAINABILITY

Sustainability Report

“ The Trust attaches great importance to environmental protection and employs its best efforts in reducing the impact of its operations on the environment.”

“100-metre-long Drawing Contest” based on the theme of fire-fighting equipment was also held. A total of 120 parents and students from 18 schools turned up at the event, where they learned about safety precautions and tips for elevator rides, emergency situations on escalators and elevators and how to handle them, an introduction to the fire protection facilities in shopping malls as well as other relevant information. In this manner, the students were able to increase their knowledge and improve their safety awareness.

In 2019, the Trust won a number of awards for safety management. Shiqi Metro Mall won the honorary title of “Advanced Unit for Anti-Terrorism Work in Shiqi District” in 2019; Ocean Metro Mall was the runner-up team in the operational skills

competition organised by the Urban Brigade of Zhongshan Fire Department for the fire control room operators of key fire safety units; Xiaolan Metro Mall won the title of “Advanced Organisation with Passion in Fire Protection and Public Welfare” issued by the Fire Safety Committee of Xiaolan Town, Zhongshan City; Doumen Metro Mall won the Bronze Award in the Fire Fighting Skills segment of the 6th Vocational Skills Competition held in Doumen District of Zhuhai City.

Hygiene

To provide customers with a clean and comfortable shopping environment, the property managers have commissioned a “Grade A” professional integrated cleaning service company to carry out cleaning of the malls. The cleaning company holds the “Exterior Wall Cleaning

Qualification Certificate”, “Service Permit for the Extermination of the Four Pests”, “Hygiene Permit” and other professional cleaning services qualifications. The property managers will evaluate the quality of service and grade it every month, which will have a direct influence on the payment of the cleaning fees.

In addition, the Trust has also engaged a company specialised in the extermination of pests to control and manage pest issues in the malls. Any hygiene-related complaints from businesses and customers can be quickly responded to and handled.

Environmental Compliance

The Trust attaches great importance to environmental protection and employs its best efforts in reducing the impact of its operations on the environment. The Trustee-Manager urges the property managers to incorporate energy consumption management into their management system and to monitor and compare energy consumption data monthly, which serve as a basis for subsequent energy conservation and consumption reduction measures.

“Please Save Water” signs are put up in the public toilets of the malls. The malls’ parking areas are illuminated at different times using a zonal lighting system. Sensor lights are also installed at all fire exits. The interior and exterior lights of the malls are switched on according to weather conditions. At the same time, to reduce pressure on the municipal environment, waste oil from food and beverage businesses are processed centrally before being discharged into municipal pipelines.



Dasin+Metro Mall turned off its lights for one hour in support of Earth Hour

Property managers also spread the message of environmental protection through a series of public welfare events. In March 2019, Dasin Metro Mall organised an Earth Hour ceremony, where the lights were switched off for one hour in a bid to educate people about saving electricity, protecting your environment and living green.

CSR Activities & Local Communities

Community

“With Altruistic Love as Our Foundation, With Integrity as Our Navigation” – the Sponsor has always made altruistic love the bedrock upon which the company stands, and this is the spirit that runs through all that we

do as a company. The Trust’s public welfare activities over the years have actively promoted positive expressions of “Truth”, “Virtue” and “Beauty”, with the aim of contributing to a “harmonious society”.

Education and Donations

In 2019, the Trustee-Manager and the Sponsor continued to uphold the spirit of “humanity” that the city of Zhongshan is known for and was once again enthusiastic in its support of the Zhongshan Charity Parade. Zhongshan Dasin Holdings Co., Ltd. (“Dasin Holdings”) and its subsidiaries donated more than RMB760,000 and participated in many activities over the year, including the 2019 charity parade, the Shiqi District Education Charity Fundraising and “Running for Love” events, the New Year’s Bazaar, etc. in support of the development of philanthropy in Zhongshan. The Sponsor has won the accolade of “Kindness Enterprise of the 2019 Shiqi District Charity Parade”.

Many families run into financial difficulties due to major illnesses that had befallen their family members.

Performance against 2019 Targets

- All new suppliers were assessed using social criteria
- Environmental and social considerations were part of the due diligence procedures for the property managers of the newly acquired malls
- Commitment to assess and supervise the compliance status as well as to monitor the environmental and social performance of property managers

2020 Targets for Property Managers and Suppliers Assessment and Selection, Marketing and Labelling, Customer Health and Safety and Environmental Compliance

- Continue to assess all new suppliers using social criteria
- Continue to include environmental and social considerations as part of the acquisition due diligence procedures for the property managers of the newly acquired malls
- Continue to monitor the environmental and social performance of existing property managers
- Continue to assess and supervise the compliance status of all its property managers and require them to maintain a clean compliance record in the forthcoming year



Employees from Dasin Holdings and its subsidiaries participating in the Zhongshan Charity Parade 2019

GOVERNANCE, RISK & SUSTAINABILITY

Sustainability Report



Successful fund raising exercise



Sponsorship of the Chief Challenge at the SGX Bull Charge Run 2019 in Singapore

In 2019, the Trust continued to support and provide assistance to more than 30 people and families in need through donations and provision of social resources. More than RMB100,000 was donated. Further care and support was rendered through activities, home visits during festivals, provision of social assistance information and more.

In Singapore, Dasin Retail Trust sponsored the Chief Challenge at the SGX Bull Charge Run 2019 to support the needs of the underprivileged, disabled and elderly. Staff from the Trust joined in the annual run, which raised more than S\$3.4 million for charities including AWWA Ltd., Autism Association (Singapore), Community Chest, Fei Yue Community Services, HCSA Community Services and Shared Services for Charities.

Zhongshan City is the "Targeted Poverty Alleviation" counterpart city of Linzhi in Tibet and Zhaotong in Yunnan Province. In 2019, Zhongshan Shengxin Co. Ltd. (Shengxing), Green Decoration Company and Zhongshan Shiqi Central Primary School, all subsidiaries and affiliates of Dasin Holdings,

actively participated in poverty alleviation activities in Tibet and Yunnan. Donations were also made, as "true poverty alleviation" should be achieved in visible and tangible ways. In contribution to the fight against poverty in 2020 and to ensure its success, the donations will be used for the water supply construction project in Bailang Village of Gyaxing Township in Gongbo'gyamda County, Tibet, and for the poverty alleviation of the impoverished in Yanjin County of Zhaotong City, Yunnan Province. Shengxing and Green Decoration Company were awarded the accolade of "Kindness Enterprise Supporting the Development and Progress of Tibet".

In June 2019, Shiqi Metro Mall and Ocean Metro Mall organised the "Let's Run Happily with Children in Zhongshan" series of family bonding charity events. 400 families participated and the donations from the activities were donated to public welfare organisation, "Blue Sky Homeland". It was a meaningful family bonding activity for both parents and children, where they got to cooperate with one another to do their bit for charity.

" In August 2019, the "Luying Academy" Caring for Sick Children service jointly initiated by Dasin Public Welfare Volunteer Team and Luying Service Team was officially launched. "

In July 2019, Doumen Metro Mall assisted the Doumen District Committee of the Communist Youth League of China with their "Caring Public Welfare Summer Camp for Children in Fugong County, Nujiang Prefecture, Yunnan Province", to help "left-behind children" (children from rural regions whose parents left them behind and went to the cities to make a living) from Yunnan have a pleasant summer vacation experience in Zhuhai.



The Dasin Public Welfare Service Volunteer Team distributed care packages to under-privileged families



A Dasin Public Welfare Service volunteer during a home visit



"Love at the Movies" for the disabled and their family members organised by Dasin Volunteers

Volunteerism

The Dasin Public Welfare Service Volunteer Team was set up by the Dasin Public Welfare Service Centre in May 2016. The team has more than 300 volunteers who would take part in charitable activities every month, including caring acts, home visits, special maintenance work, home cleaning, befriending and companionship and providing other services for socially vulnerable groups like elderly people living alone, the disabled, and dysfunctional families and children.

The "Child Care Program" service has been running for more than 20 rounds so far. The service is targeted at children and teenagers in need of

care from neighbouring areas. The volunteers make monthly home visits to provide warm and loving care and guidance, and over a period of time, the children and teenagers get to grow up healthily and happily.

In August 2019, the "Luying Academy" Caring for Sick Children service jointly initiated by Dasin Public Welfare Volunteer Team and Luying Service Team was officially launched. After the launch of the service, Dasin and Luying Service Team volunteers would go to the Zhongshan Torch Development Zone Hospital every Sunday in their spare time and spend time and engage with children at the hospital through game, group drawing and handicraft-making activities.

Dasin Public Welfare Volunteer Team also pays attention to the lives of people with disabilities. In 2019, the Dasin Public Welfare Volunteer Team and Dasin Metro Mall worked with Zhongshan Disabled Persons' Federation to bring love to about 300 people with disabilities through different activities, one of which was the Dasin "Love at the Movies" event, where the disabled, their family members and Dasin volunteers would watch movies together. The aim of this was to cater to the spiritual and cultural needs of the disabled participants, to encourage them to actively take part in cultural activities in public so that they could also share in the fruits of socio-cultural achievements.

GOVERNANCE, RISK & SUSTAINABILITY

Sustainability Report



Distribution of supplies to the needy during the Mid-Autumn Festival



Good community turnout at a voluntary blood donation exercise organised by Dasin

Caring for the Community and Implementing Social Responsibility

Even while pursuing rapid development, Dasin Metro Mall never forgets its social responsibility. In 2019, the malls under Dasin Metro Mall visited neighbouring communities many times to visit the elderly and the young, provide free services like haircuts and medical consultation, and give assistance in the repair of home appliances and making renovation suggestions, benefitting nearly 3,000 people.

At the same time, Dasin Metro Mall also worked with Dasin Holdings Medical to carry out more than 30 sessions of free medical consultations, seminars on health management, health campaigns and other public welfare activities, and provided common medical knowledge and caring public welfare services to nearly 3,000 citizens.

Dasin Metro Mall's "Trip for Caring" activity has been conducted for many years. In China's important and special traditional festival, the Mid-Autumn Festival, it sends caring supplies and festival regards to those in need of care

and compassion. In 2019, Dasin Metro Mall, in cooperation with Dasin Public Welfare Service Center and Dasin Holiday Hotel, successively carried out nearly 20 festival caring activities. Through a variety of activities, such as DIY tea party, song performances, painting blessings, home visits and other caring activities, it sent caring supplies and festival regards to nearly 1,000 people in need of care.

Voluntary blood donation embodies a noble and altruistic dedication towards charity and the saving of life. In October 2019, Dasin Metro Mall, Dasin Public Welfare Service Centre and Dasin Business Circle CPC Committee successively held voluntary blood donation drives that attracted 200 employees from Dasin and the retailers as well as from the community.



Dasin employees volunteering to donate their blood

Performance against 2019 Targets

- Achieved more than 500 volunteer hours and participated in more than 10 CSR events

2020 Targets for CSR Activities and Local Communities

- Achieve 500 volunteer hours
- Participate in 10 CSR events

GRI CONTENT INDEX

GRI Standards		Details/Notes/Page no.
General Disclosures		
Organisational Profile		
102-1	Name of the organisation	Dasin Retail Trust
102-2	Activities, brands, products, and services	About Dasin Retail Trust, Page 1
102-3	Location of headquarters	Singapore
102-4	Location of operations	Singapore and China
102-5	Ownership and legal form	Trust Structure, Page 45
102-6	Markets served	China
102-7	Scale of the organisation	Talent Management, Page 85 Net Property Income, Page 18 Financial Statements, Pages 97 to 178
102-8	Information on employees and other workers	Talent Management, Page 85
102-9	Supply chain	Property Managers and Suppliers Assessment, Page 87
102-10	Significant changes to the organisation and its supply chain	There were no significant changes to the organisation and its supply chain in FY2019.
102-11	Precautionary Principle or approach	The Trust does not specifically address the Precautionary Principle
102-12	External initiatives	CSR Activities & Local Communities, Pages 89 to 92
102-13	Membership of associations	Not applicable
Strategy		
102-14	Statement from senior decision-maker	Board Statement, Page 80
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Inside front cover About Dasin Retail Trust, Page 1 Corporate Governance, Pages 50 to 72 Enterprise Risk Management, Pages 73 to 75
Governance		
102-18	Governance structure	Board Statement, Page 80
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholders Engagement, Page 82
102-41	Collective bargaining agreements	Not applicable
102-42	Identifying and selecting stakeholders	Stakeholders Engagement, Page 82 Materiality Assessment, Pages 80 to 81
102-43	Approach to stakeholder engagement	Stakeholders Engagement, Page 82 Materiality Assessment, Pages 80 to 81
102-44	Key topics and concerns raised	Stakeholders Engagement, Page 82 Materiality Assessment, Page 80 to 81

GOVERNANCE, RISK & SUSTAINABILITY

Sustainability Report

GRI CONTENT INDEX

GRI Standards

Details/Notes/Page no.

General Disclosures

Reporting Practice		
102-45	Entities included in the consolidated financial statements	Refer to Annual Report 2019, Page 45
102-46	Defining report content and topic Boundaries	About this Report, Page 80
102-47	List of material topics	Material Assessment, Page 80 to 81
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Not applicable
102-50	Reporting period	About this Report, Page 80
102-51	Date of the most recent report	March 2019
102-52	Reporting cycle	About this Report, Page 80
102-53	Contact point for questions regarding the report	About this Report, Page 80
102-54	Claims of reporting in accordance with GRI Standards	About this Report, Page 80 Board Statement, Page 80
102-55	GRI content index	GRI content index, Pages 93 to 94
102-56	External assurance	We did not seek external assurance of this Report. However, we will consider seeking external assurance for the report in future.

Management Approach

103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> • Direct Economic Contribution, Page 84 • Anti-corruption, Page 84 • Socioeconomic Compliance, Page 84 • Talent Management, Page 85 • Training and Education, Page 86 • Labour/Management Relation, Page 86 • Property Managers and Suppliers Assessment, Page 87 • Marketing and Labelling, Page 87 • Customer Health and Safety, Pages 87 to 88 • Environmental Compliance, Pages 88 to 89 • CSR Activities and Local Communities, Pages 89 to 92
103-2	The management approach and its components	
103-3	Evaluation of the management approach	

GRI Standards		Details/Notes/Page no.	
Specific Disclosures			
Economic			
Economic Performance	201-1	Direct economic value generated and distributed	Direct Economic Contribution, Page 84 Financial Statements, Pages 97 to 178
Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	Anti-corruption, Page 84
Environmental			
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Environmental Compliance, Pages 88 to 89
Social			
Employment	401-2	Benefits provided to full time employees that are not provided to temporary or part time employees	Talent Management, Page 85
Training and Education	404-2	Programmes for upgrading employee skills and career development programmes	Training and Education, Page 86
Labour/ Management Relations	402-1	Minimum notice periods regarding operational changes	Labour/Management Relations, Page 86
Marketing and Labelling	417-2	Incidents of non-compliance concerning product and service information and labelling	Marketing and Labelling, Page 87
	417-3	Incidents of non-compliance concerning marketing communications	
Property Managers* and Suppliers Social Assessment	414-1	New suppliers that were screened using social criteria	Property Managers and Suppliers Assessment, Page 87
Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Health and Safety, Pages 87 to 88
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programmes	CSR Activities and Local Communities, Pages 89 to 92
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Socioeconomic Compliance, Page 84

* Suggested disclosure as it is not an aspect under specific disclosures of GRI Standards.

GOVERNANCE, RISK & SUSTAINABILITY

Corporate Directory

THE TRUSTEE-MANAGER

Dasin Retail Trust Management Pte. Ltd.
Company registration number:
201531845N

REGISTERED OFFICE

8 Marina Boulevard #14-02
Marina Bay Financial Centre Tower 1
Singapore 018981
Telephone: (65) 6509 8626
Fax: (65) 6509 8625
Email: ir@dasintrust.com
Website: www.dasintrust.com

BOARD OF DIRECTORS

Mr. Zhang Zhencheng
(Chairman and Non-Executive Director)

Mr. Zhang Zhongming
(Deputy Chairman and
Non-Executive Director)

Dr. Cao Yong
(Lead Independent Director)

Mr. Sun Shu
(Independent Director)

Mr. Tan Huay Lim
(Independent Director)

AUDIT AND RISK COMMITTEE

Mr. Tan Huay Lim
(Chairman)

Dr. Cao Yong

Mr. Sun Shu

NOMINATING COMMITTEE

Mr. Sun Shu
(Chairman)

Mr. Zhang Zhencheng

Dr. Cao Yong

REMUNERATION COMMITTEE

Dr. Cao Yong
(Chairman)

Mr. Zhang Zhongming

Mr. Tan Huay Lim

COMPANY SECRETARY

Mr. Lun Chee Leong

UNIT REGISTRAR

Boardroom Corporate & Advisory
Services Pte Ltd (a member of
Boardroom Limited)

50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623
Phone: (65) 6536 5355
Fax: (65) 6438 8710

AUDITOR

Deloitte & Touche LLP
6 Shenton Way
OUE Downtown 2 #33-00
Singapore 068809
Phone: (65) 6224 8288
Fax: (65) 6538 6166
Partner-in-charge: Mr. Toh Yew Kuan Jeremy
(Appointed since financial year ended
31 December 2019)

SGX STOCK SYMBOL

CEDU.SI

CONTENTS

FINANCIAL STATEMENTS

- 98** Report of the Trustee-Manager of Dasin Retail Trust
- 103** Statement by the Trustee-Manager
- 104** Statement by the Chief Executive Officer of the Trustee-Manager
- 105** Independent Auditor's Report to the Unitholders of Dasin Retail Trust
- 110** Statements of Financial Position
- 111** Consolidated Statement of Profit or Loss
- 112** Consolidated Statement of Comprehensive Income
- 113** Consolidated Statement of Changes in Unitholders' Funds
- 115** Consolidated Statement of Cash Flows
- 117** Notes to the Financial Statements

OTHER INFORMATION

- 179** Statistics of Unitholdings
- 182** Additional Information

FINANCIALS & ADDITIONAL INFORMATION

Report of the Trustee-Manager of Dasin Retail Trust

The Board of Directors of Dasin Retail Trust Management Pte. Ltd. (the "Trustee-Manager"), the Trustee-Manager of Dasin Retail Trust (the "Trust") and its subsidiaries (together referred to as the "Group"), are pleased to submit this report to unitholders, together with the financial statements of the Group and the statement of financial position of the Trust for the financial year ended 31 December 2019.

DIRECTORS

The directors of the Trustee-Manager in office at the date of this report are as follows:

Mr. Zhang Zhencheng	Chairman and Non-Executive Director <i>Chairman of the Board</i>
Mr. Zhang Zhongming	Non-Independent Non-Executive Director <i>Deputy Chairman of the Board</i>
Dr. Cao Yong	Lead Independent Director <i>Chairman of the Remuneration Committee</i>
Mr. Sun Shu	Independent Director <i>Chairman of the Nomination Committee</i>
Mr. Tan Huay Lim	Independent Director <i>Chairman of the Audit and Risk Committee</i>

DIRECTORS' INTERESTS

According to the register kept by the Trustee-Manager for the purposes of Sections 13 and 76 of the Business Trusts Act, Chapter 31A of Singapore (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by immediate family) in units of the Trust ("Units") are as follows:

Name of director	Direct interest		Deemed interest	
	At beginning of the financial year	At end of the financial year	At beginning of the financial year	At end of the financial year
Interest in the Trust (Units)				
Mr. Zhang Zhencheng	–	–	368,809,053	387,802,628
Mr. Zhang Zhongming	–	–	3,966,200	3,966,200
Dr. Cao Yong	–	–	–	–
Mr. Sun Shu	–	–	–	–
Mr. Tan Huay Lim	–	–	312,500	312,500

Except as disclosed in this report, no director who held office at the end of the financial year had interests in units, debentures, warrants or unit options of the Trust, either at the beginning or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Trust between the end of the financial year and 21 January 2020.

DIRECTORS' INTEREST (CONT'D)

During the year ended 31 December 2019, in accordance with the Trust Deed, the Trust issued/issuable 5,351,752 (2018: 5,065,595) units of the Trust with carrying values totalling \$4,578,000 (2018: \$4,370,000) in satisfaction for payment of the trustee fee and management fee, and 2,016,443 (2018: nil) units with carrying values of \$1,686,000 (2018: nil) as an acquisition fee in relation to the acquisition of Doumen Metro Mall as disclosed in notes 16 and 20 to the financial statements to the Trustee-Manager, in which Mr. Zhang Zhencheng, a director of the Trustee-Manager has a 99% equity interest.

Except as disclosed above, neither at the end of, nor at any time during the financial year, was the Trustee-Manager a party to any arrangement whose object is to enable the directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in or debentures of the Trust.

UNIT OPTIONS

During the financial year, there were:

- (i) no options granted by the Trustee-Manager to any person to take up unissued units in the Trust; and
- (ii) no units issued by virtue of any exercise of option to take up unissued units of the Trust.

As at the end of the financial year, there were no unissued units of the Trust under option.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee comprises three independent directors. The members of the Audit and Risk Committee during the year and at the date of this report are:

Mr. Tan Huay Lim (Chairman)
Dr. Cao Yong
Mr. Sun Shu

The Audit and Risk Committee carried out its function in accordance with Regulation 13(6) of the Business Trusts Regulations and the Listing Manual of Singapore Exchange Securities Trading Limited (the "Listing Manual").

The Audit and Risk Committee held five meetings for the financial year ended 31 December 2019. In performing its functions, the Audit and Risk Committee met with the Trust's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Group's internal accounting control system. The Audit and Risk Committee's responsibilities also include, but are not limited to, the following:

- (a) reviewing with the internal and external auditors of the Trust:
 - (i) the audit plan of the Trust;
 - (ii) the auditors' evaluation of the system of internal accounting controls of the Trustee-Manager;
 - (iii) the auditors' audit report for the Trust; and
 - (iv) the adequacy, effectiveness and independence of the external audit and the internal audit function.

FINANCIALS & ADDITIONAL INFORMATION

Report of the Trustee-Manager of Dasin Retail Trust

AUDIT AND RISK COMMITTEE (CONT'D)

- (b) reviewing:
- (i) the assistance given by the management of the Trustee-Manager to the auditors of the Trust;
 - (ii) the adequacy, effectiveness, independence, scope and results of the external audit;
 - (iii) the adequacy, effectiveness and independence of the internal audit function including scope and results of the internal audit procedures;
 - (iv) the assurance from the chief executive officer ("CEO") and chief financial officer ("CFO") on the financial records, financial statements, risk management and internal control systems;
 - (v) the appointment, termination and remuneration of the internal auditors;
 - (vi) the policies and practices put in place by the Trustee-Manager in consultation with its external compliance advisers to ensure compliance with the Listing Manual, the Act and the Trust Deed;
 - (vii) the procedures put in place by the Trustee-Manager to manage any conflict that may arise between the interests of the unitholders and the interests of the Trustee-Manager, including interested person transactions, the indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the property of the Trust ("Trust Property");
 - (viii) interested person transactions for potential conflicts of interest;
 - (ix) and recommending the nature and extent of significant risks which the Trustee-Manager is willing to take in achieving its strategic objectives and value creation;
 - (x) risk management policies and guidelines and monitor compliance therewith;
 - (xi) the adequacy and effectiveness of the risk management and internal controls system, including financial, operational, compliance and information technology risks and controls;
 - (xii) the whistleblowing policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on, including the particular incidences reported during the year; and
 - (xiii) reviewing any matters relating to suspected fraud or irregularity, or suspected infringement of any Singapore laws or regulations or rules of the SGX-ST or any other regulatory authority in Singapore, of which the Audit and Risk Committee is aware, which has or is likely to have a material impact on the Trust's or the Group's operating results and/or financial position, and the findings of any internal investigations, and management's response thereto;
- (c) reviewing the statement of financial position, statement of profit or loss of the Trustee-Manager and the statement of financial position, statement of profit or loss, statement of comprehensive income and statement of cash flows of the Trust submitted to it by the Trustee-Manager, and thereafter submit them to the Board;
- (d) reviewing significant reporting issues and judgements to ensure the integrity of the financial statements and any announcements relating to financial performance;
- (e) discussing problems and concerns, if any, arising from the final audits, in consultation with the external auditors and the internal auditors where necessary;
- (f) reporting to the Board:
- (i) any inadequacies, deficiencies or matters of concern of which the Audit and Risk Committee becomes aware or that it suspects arising from its review of the items referred to in sub-paragraphs (a) to (d) above; and
 - (ii) any breach of the Act or any breach of the provisions of the Trust Deed, of which the Audit and Risk Committee becomes aware or that it suspects;
- (g) reporting to the Monetary Authority of Singapore if the Audit and Risk Committee is of the view that the Board has not taken, or does not propose to take, appropriate action to deal with a matter reported under sub-paragraph (f):
- (i) the procedures established to regulate interested person transactions, including ensuring compliance with the provisions of the Listing Manual relating to "interested person transactions"; and
 - (ii) the procedures established to ensure compliance with applicable legislation and the Listing Manual;

AUDIT AND RISK COMMITTEE (CONT'D)

- (h) nominating or removing a person or persons as auditor of the Trust (including the review of their fees and scope of work), notwithstanding anything contained in the Trust Deed;
- (i) approving and reviewing all policies and instruments to be implemented by the Trust to the Board;
- (j) monitoring the implementation of outstanding internal control recommendations highlighted by the auditors in the course of their audit of the financial statements of the Trust and their respective subsidiaries taken as a whole;
- (k) meeting with the external and internal auditors, in each case without the presence of management, at least on an annual basis;
- (l) reviewing the adequacy of the compliance functions and the appointment, reappointment of the external compliance advisers on an annual basis;
- (m) making recommendations to the Board on: (i) the proposals to the unitholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- (n) procuring that each of Aqua Wealth Holdings Limited ("Aqua Wealth") and Bounty Way Investments Limited ("Bounty Way") enter into an undertaking to immediately inform the Trust of any changes to the arrangement in relation to the moratorium securities account for the units in the Trust which are the subject of the waiver for entitlements of distributions from the Trust and which was locked pursuant to the lock-up arrangement provided by each of Aqua Wealth and Bounty Way;
- (o) overseeing:
 - (i) the updates made by the Trustee-Manager in the Trust's annual report regarding the status of the Distribution Waiver (as defined in the Prospectus dated 13 January 2017), including whether the assumptions originally projected in the Prospectus have been achieved or the Trustee-Manager's provision of an explanation otherwise;
 - (ii) the announcement made by the Trustee-Manager on the impending expiry of the Distribution Waiver at least a year prior to the expiry of the Distribution Waiver Undertakings (as defined in the Prospectus dated 13 January 2017); and
 - (iii) information provided by the Trustee-Manager on the status of the Distribution Waiver in the Trust's full year financial results and annual reports (including the Trust's distribution policy, the amounts of distribution waived and duration remaining until the date on which the Distribution Waiver Undertakings would expire);
- (p) reviewing and providing its views on all hedging policies and instruments to be implemented by the Trust to the Board;
- (q) ensuring that there is no overlap of roles, duties and responsibilities between each of the Trustee-Manager, the Rental Management Companies, the Property Manager and the Commercial Manager;
- (r) reviewing on a quarterly basis, where there are any updates or changes, the master list of the Trustee-Manager's directors and controlling shareholders, as well as the Trust's controlling unitholders;
- (s) reviewing the Trustee-Manager's internal audit reports twice a year to ascertain that the guidelines and procedures established to monitor interested person transactions have been complied with, such review to include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Audit and Risk Committee, as well as ascertaining whether the subsidiaries and associated companies of the Trust have been complying with the requirement to inform the Trustee-Manager of any upcoming transactions with interested persons so as to obtain the prior approval from the chief executive officer of the Trustee-Manager, the Audit and Risk Committee or unitholders, as applicable, in accordance with the provisions of Chapter 9 of the Listing Manual. If a member of the Audit and Risk Committee has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction;
- (t) investigating any matters within the Audit and Risk Committee's terms of reference, whenever it deems necessary;
- (u) exercising oversight over the undertakings given by the Master Lessee to the Trustee-Manager that it will
 - (i) immediately inform the Trustee-Manager of any matter that has a material adverse effect on its ability to fulfil its obligations under the Master Lease Agreements; and
 - (ii) not unilaterally novate or assign any of the Master Lease Agreements to any other party and will inform the Trustee-Manager of any changes to any of the Master Lease Agreements (as defined in the Prospectus dated 13 January 2017);

FINANCIALS & ADDITIONAL INFORMATION

Report of the Trustee-Manager of Dasin Retail Trust

AUDIT AND RISK COMMITTEE (CONT'D)

- (v) exercising oversight over the undertakings of the Trustee-Manager under the Master Lease Undertakings (as defined in the Prospectus dated 13 January 2017) (including the disclosures required in the annual financial statements and annual reports of the Trust pursuant to the Master Lease Undertakings);
- (w) in relation to the security deposits received from the Master Lessee pursuant to the Master Lease Agreements, overseeing
 - (i) the withdrawal or utilisation of the security deposits by the Trust during the terms of the Master Lease Agreements, including assessing the Trust's ability to repay the security deposits at the end of the terms of the Master Lease Agreements; and
 - (ii) where the security deposits fall below the equivalent of 12 months' rent due to (where applicable), among others, utilisation of the security deposits to satisfy late payment of rentals, that the Master Lessee makes up the shortfall.
- (x) undertaking such other functions as may be agreed to by the Audit and Risk Committee and the Board.

INDEPENDENT AUDITOR

The independent auditor, Deloitte & Touche LLP, has expressed its willingness to accept re-appointment.

**For and on behalf of the Board of Directors of the Trustee-Manager,
Dasin Retail Trust Management Pte. Ltd.**

Zhang Zhencheng

Director

Zhang Zhongming

Director

6 April 2020

Statement by the Trustee-Manager

In our opinion, as the Directors of the Trustee-Manager,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Trust as set out on pages 110 to 178 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2019, and of the consolidated financial performance, consolidated changes in unitholders' funds and consolidated cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Business Trusts Act, Chapter 31A (the "Act") and International Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Trustee-Manager will be able to fulfil, out of the trust property of the Trust, the liabilities of the Trust as and when they fall due.

In accordance with Section 86(2) of the Act, we further certify:

- the fees or charges paid or payable out of the trust property of the Trust to the Trustee-Manager are in accordance with the Trust Deed dated 15 January 2016 (date of constitution), supplemented by a first supplemental deed dated 27 December 2016;
- the interested person transactions are not detrimental to the interests of all the Unitholders of the Trust as a whole based on the circumstances at the time of the transaction; and
- the Board of Directors is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the Unitholders of the Trust as a whole.

The Board of Directors has, on the date of this statement authorised these financial statements for issue.

**For and on behalf of the Board of Directors of the Trustee-Manager,
Dasin Retail Trust Management Pte. Ltd.**

Zhang Zhencheng

Director

Zhang Zhongming

Director

6 April 2020

FINANCIALS & ADDITIONAL INFORMATION

Statement by the Chief Executive Officer of the Trustee-Manager

In accordance with Section 86 of the Business Trusts Act, Chapter 31A of Singapore, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the Unitholders of the Trust as a whole.

Wang Qiu

Chief Executive Officer

6 April 2020

Independent Auditor's Report to the Unitholders of Dasin Retail Trust

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Dasin Retail Trust (the "Trust") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Trust as at 31 December 2019, the consolidated statement of profit or loss and consolidated statement of comprehensive income, consolidated statement of changes in unitholders' funds and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 110 to 178.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Trust are properly drawn up in accordance with the provisions of the Singapore Business Trusts Act, Chapter 31A ("the Act"), and the International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2019 and of the consolidated financial performance, consolidated changes in unitholders' funds and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

FINANCIALS & ADDITIONAL INFORMATION

Independent Auditor's Report to the Unitholders of Dasin Retail Trust

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Key audit matters	How the scope of our audit responded to the key audit matters
<p>Valuation of investment properties</p> <p>The Group owns a portfolio of investment properties comprising 5 retail properties located in the People's Republic of China.</p> <p>The investment properties represent the single largest category of assets on the Statement of Financial Position.</p> <p>The Group has adopted the fair value model under IAS 40 <i>Investment Property</i> which requires all the investment properties to be measured at fair value.</p> <p>The Group has engaged external independent valuers ("external valuers") to perform the fair value assessment of the investment properties.</p> <p>The fair valuation of investment properties is considered to be a matter of significance as the valuation process requires the application of judgement in determining the appropriate valuation method, use of subjective assumptions and various unobservable inputs. The valuations are sensitive to key assumptions, including discount rates, terminal rates, term yields and reversionary rates. A change in these key assumptions will have an impact on the valuation.</p> <p>The valuation methods and the key assumptions used are disclosed in note 4 to the financial statements.</p>	<p>We performed the following procedures, among others:</p> <ul style="list-style-type: none"> • tested the design and implementation of the relevant key controls over the valuation of investment properties. • obtained an understanding and evaluated the Group's process of appointment and determination of the scope of work of the external valuers, as well as their process of reviewing, and accepting the external valuers' investment property valuations. • assessed the external valuers' competence and capabilities and read their terms of engagement with the Group to determine that there were no matters that affected the external valuers' independence and objectivity or scope limitations imposed upon them. • discussed with the external valuers to understand the valuation methods and key assumptions used in valuing the investment properties and the market evidence used by the external valuers that support their valuation. • involved our internal valuer to assist us in evaluating the appropriateness of the valuation methods and key assumptions used by the external valuers for the respective investment properties. Taking into account the nature of each investment property, we benchmarked and challenged the key assumptions used in their valuation by reference to externally published industry data and comparable property transactions, where available, and we considered whether these assumptions are consistent with the current market environment. <p>Based on our procedures, we noted that the valuation methods and key assumptions used by the external valuers in the valuations to be within a reasonable range of our expectations.</p> <p>We have also checked the adequacy and appropriateness of the disclosures made in the financial statements.</p>

Independent Auditor's Report to the Unitholders of Dasin Retail Trust

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Key audit matters	How the scope of our audit responded to the key audit matters
<p>Accounting for acquisition of 100% equity interest in Singapore Jiaxin Commercial Holdings Pte Ltd and its subsidiaries</p> <p>During the year, the Trust completed the acquisition of 100% equity interest in Singapore Jiaxin Commercial Holdings Pte Ltd and its subsidiaries for a total purchase consideration of \$61.3 million. This was accounted for by measuring net assets acquired at fair value at the acquisition date where control is transferred to the Group and the difference of \$102.2 million between the purchase consideration and the fair value of the net assets acquired is recognised as a reserve arising from a transaction with a controlling unitholder.</p> <p>The acquisition accounting was significant to our audit due to:</p> <p>(a) the accounting policy adopted by the Group and the related quantitative significance; and</p> <p>(b) the amount of judgement involved on recognition the difference between the purchase consideration and the fair value of the net assets acquired in reserve by taking into consideration the business rationale and substance of the transaction.</p> <p>Information on the acquisitions are disclosed in note 29 of the financial statements.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> • assessed the Group's processes for the selection and the determination of the accounting for business combination. • examined the legal and contractual documents to determine the date of acquisition. • discussed with the management and considered the commercial substance of the transactions. • evaluated the Group's judgements in allocating the purchase consideration to the different assets and liabilities acquired in the business combination. <p>Based on our procedures and assessment, we noted that the accounting method adopted by the Group for the acquisitions and the methodologies used to measure the fair value of the respective assets acquired and liabilities assumed are appropriate.</p> <p>We have also assessed the appropriateness and the adequacy of the Group's disclosure in note 29 to the financial statements.</p>

FINANCIALS & ADDITIONAL INFORMATION

Independent Auditor's Report to the Unitholders of Dasin Retail Trust

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Dasin Retail Trust Management Pte. Ltd. (the "Trustee-Manager") is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE TRUSTEE-MANAGER AND DIRECTORS OF THE TRUSTEE-MANAGER FOR THE FINANCIAL STATEMENTS

The Trustee-Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and IFRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Trustee-Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee-Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the directors of the Trustee-Manager include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee-Manager.

Independent Auditor's Report to the Unitholders of Dasin Retail Trust

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- (d) Conclude on the appropriateness of the Trustee-Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Trustee-Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of the Trustee-Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors of the Trustee-Manager, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager on behalf of the Trust, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Toh Yew Kuan Jeremy.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants

Singapore

6 April 2020

FINANCIALS & ADDITIONAL INFORMATION

Statements of Financial Position

AS AT 31 DECEMBER 2019

	Note	GROUP		TRUST	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Non-current assets					
Investment properties	4	1,831,173	1,478,716	–	–
Plant and equipment	5	197	274	–	–
Intangible assets	6	327	273	–	–
Interests in subsidiaries	7	–	–	684,441	528,063
Financial derivatives	8	26	1,020	26	1,020
		1,831,723	1,480,283	684,467	529,083
Current assets					
Trade and other receivables	9	12,990	6,211	849	228
Financial investments	10	–	23,750	–	–
Cash and bank balances	11	115,691	69,192	20,070	11,729
		128,681	99,153	20,919	11,957
Total assets		1,960,404	1,579,436	705,386	541,040
Non-current liabilities					
Loans and borrowings	12	501,644	314,898	335,162	239,483
Financial derivatives	8	631	–	631	–
Deferred tax liabilities	13	329,253	276,051	–	–
Other payables	14	3,040	60	–	–
		834,568	591,009	335,793	239,483
Current liabilities					
Loans and borrowings	12	203,869	185,613	202,144	184,824
Trade and other payables	14	18,638	11,585	54,340	27,828
Security deposits		15,822	13,592	–	–
Current tax liabilities		1,779	1,689	–	–
		240,108	212,479	256,484	212,652
Total liabilities		1,074,676	803,488	592,277	452,135
Net assets		885,728	775,948	113,109	88,905
Represented by:					
Unitholders' funds	15	885,728	775,948	113,109	88,905
Units in issue ('000)	16	648,628	558,906	648,628	558,906
Net asset value per unit attributable to Unitholders (\$)		1.37	1.39	0.17	0.16

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Profit or Loss

YEAR ENDED 31 DECEMBER 2019

	Note	GROUP	
		2019 \$'000	2018 \$'000
Revenue	18	76,007	71,288
Property related tax		(4,392)	(3,796)
Property and commercial management fees		(1,506)	(1,420)
Other property operating expenses	19	(10,127)	(8,749)
Total property operating expenses		(16,025)	(13,965)
Net property income		59,982	57,323
Trustee-Manager's fees	20		
– Base management fee		(4,239)	(4,046)
– Trustee fee		(339)	(324)
– Acquisition fee		(1,686)	–
Other trust expenses		(3,399)	(1,846)
Exchange gain/(loss)		5,263	(3,285)
Other (expense)/income		(1,626)	676
Finance income		1,167	2,043
Finance costs		(30,760)	(27,621)
Net finance costs	21	(29,593)	(25,578)
Net income		24,363	22,920
Net change in fair value of investment properties	4	(20,754)	(22,130)
Profit before income tax		3,609	790
Income tax expense	22	(11,045)	(12,264)
Loss for the year	23	(7,436)	(11,474)
Attributable to:			
Unitholders of the Trust		(7,436)	(11,474)
Distributable income attributable to Unitholders			
Loss for the year		(7,436)	(11,474)
Distribution adjustments		30,706	32,690
Amount available for distribution	24	23,270	21,216
Distribution per unit (cents)			
– With Distribution Waiver		6.82	7.22
– Without Distribution Waiver		3.95	3.81
Earnings per unit (cents)	25		
– Basic		(1.27)	(2.07)
– Diluted		(1.27)	(2.07)

The accompanying notes form an integral part of these financial statements.

FINANCIALS & ADDITIONAL INFORMATION

Consolidated Statement of Comprehensive Income

AS AT 31 DECEMBER 2019

	GROUP	
	2019 \$'000	2018 \$'000
Loss for the year	(7,436)	(11,474)
Other comprehensive income for the year, net of tax		
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences – foreign operations, net of tax	(33,422)	(44,938)
	(33,422)	(44,938)
Total comprehensive income for the year	(40,858)	(56,412)
Total comprehensive income attributable to:		
Unitholders of the Trust	(40,858)	(56,412)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Unitholders' Funds

YEAR ENDED 31 DECEMBER 2019

	Units in issue \$'000	Statutory surplus reserves \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total \$'000
As at 1 January 2018	150,929	57	680,619	(27,145)	44,431	848,891
Loss for the year	–	–	–	–	(11,474)	(11,474)
Other comprehensive income:						
Foreign currency translation differences – foreign operations, net of tax	–	–	–	(44,938)	–	(44,938)
Total other comprehensive income for the year	–	–	–	(44,938)	–	(44,938)
Total comprehensive income for the year	–	–	–	(44,938)	(11,474)	(56,412)
Reserves to be set aside under People's Republic of China ("PRC") laws	–	224	–	(79)	(145)	–
Transactions with Unitholders:						
Contributions by and distribution to Unitholders						
Distribution to Unitholders						
– Tax-exempt income	–	–	–	–	(4,329)	(4,329)
– Capital (note 16)	(16,612)	–	–	–	–	(16,612)
Units issued and to be issued as payment for Trustee-Manager's fees	4,410	–	–	–	–	4,410
Total transactions with Unitholders	(12,202)	–	–	–	(4,329)	(16,531)
As at 31 December 2018	138,727	281	680,619	(72,162)	28,483	775,948

The accompanying notes form an integral part of these financial statements.

FINANCIALS & ADDITIONAL INFORMATION

Consolidated Statement of Changes in Unitholders' Funds (Cont'd)

YEAR ENDED 31 DECEMBER 2019

	Units in issue \$'000	Statutory surplus reserves \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total \$'000
As at 1 January 2019	138,727	281	680,619	(72,162)	28,483	775,948
Loss for the year	–	–	–	–	(7,436)	(7,436)
Other comprehensive income:						
Foreign currency translation differences – foreign operations, net of tax	–	–	–	(33,422)	–	(33,422)
Total other comprehensive income for the year	–	–	–	(33,422)	–	(33,422)
Total comprehensive income for the year	–	–	–	(33,422)	(7,436)	(40,858)
Reserves to be set aside under PRC laws	–	181	–	–	(181)	–
Transactions with Unitholders:						
Contributions by and distribution to Unitholders						
Distribution to Unitholders						
– Tax-exempt income	–	–	–	–	(6,938)	(6,938)
– Capital (note 16)	(18,723)	–	–	–	–	(18,723)
Reserve arising from Doumen Acquisition (note 29)	–	–	102,166	–	–	102,166
Issue of units – Private Placement	68,848	–	–	–	–	68,848
Issue expenses	(979)	–	–	–	–	(979)
Units issued as payment for Trustee-Manager's acquisition fees	1,686	–	–	–	–	1,686
Units issued and to be issued as payment for Trustee-Manager's fees	4,578	–	–	–	–	4,578
Total transactions with Unitholders	55,410	–	102,166	–	(6,938)	150,638
As at 31 December 2019	194,137	462	782,785	(105,584)	13,928	885,728

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2019

	Note	GROUP	
		2019 \$'000	2018 \$'000
Operating activities			
Profit before income tax		3,609	790
Adjustments for:			
Depreciation of plant and equipment		141	87
Recognition of rental income on a straight-line basis over the lease term		(2,083)	(1,939)
Finance costs		30,760	27,621
Finance income		(1,167)	(2,043)
Loss allowance on trade and other receivables		56	–
Trustee-Manager's fees paid/payable in units	(i)	4,578	4,410
Trustee-Manager's acquisition fees paid/payable in units	(i)	1,686	–
Net change in fair value of derivative financial instruments		1,626	(676)
Net change in fair value of investment properties		20,754	22,130
Unrealised exchange differences		(3,818)	2,854
Operating cash flows before working capital changes		56,142	53,234
Changes in working capital:			
Trade and other receivables		5,105	1,155
Trade and other payables		(6,979)	4,927
Cash generated from operations		54,268	59,316
Income tax paid		(8,856)	(9,123)
Net cash from operating activities		45,412	50,193
Investing activities			
Net cash outflow from acquisition of subsidiaries	(ii)	(145,748)	–
Interest received		1,373	1,732
Payment of right-of-use assets		(58)	(52)
Purchase of plant and equipment		(19)	(6)
Capital expenditure on investment properties		(2,020)	(2,904)
Purchase of intangible assets		(54)	(273)
Net withdrawal financial investments		23,750	12,839
Net cash (used in)/from investing activities		(122,776)	11,336
Financing activities			
Distribution to Unitholders		(25,661)	(20,941)
Increase in cash pledged		(8,813)	(4,295)
Finance costs paid		(20,354)	(15,853)
Proceeds from issuance of units		68,848	–
Payment of transaction costs related to loans and borrowings		(7,475)	–
Proceeds from borrowings		128,530	7,000
Repayment of borrowings		(17,738)	(821)
Net cash from/(used in) financing activities		117,337	(34,910)

The accompanying notes form an integral part of these financial statements.

FINANCIALS & ADDITIONAL INFORMATION

Consolidated Statement of Cash Flows (Cont'd)

YEAR ENDED 31 DECEMBER 2019

	Note	GROUP	
		2019 \$'000	2018 \$'000
Net increase in cash and cash equivalents		39,973	26,619
Cash and cash equivalents at the beginning of the year		44,981	20,203
Effect of foreign exchange rate changes on cash and cash equivalents		(1,743)	(1,841)
Cash and cash equivalents at the end of the year	11	83,211	44,981

Notes:**Significant non-cash and other transactions**

- (i) The Trustee-Manager's trustee fee and base management fee for the year ended 31 December 2019 was \$4,578,000 (2018: \$4,370,000) as disclosed in notes 16 and 20 to the financial statements. \$3,246,000 (2018: \$3,298,000) was paid during the year through the issuance of 3,758,000 (2018: 3,808,000) Units. The remaining \$1,332,000 (2018: \$1,072,000) was paid subsequent to the year end through the issuance of 1,594,000 (2018: 1,257,000) Units. During the financial year 2019, an acquisition fee \$1,686,000 (2018: nil) in relation to acquisition of Doumen Metro Mall was paid through issuance of 2,016,000 (2018: nil) Units.

During the financial year 2018, a performance fee of \$40,000 was paid by the Trust by issuance of 48,000 Units of the Trust. At the end of the financial year 2018, having considered the Trust's full year performance, no performance fee was payable by the Trust to the Trustee-Manager. Accordingly, the performance fee of \$40,000 was reversed and the amount was refunded by the Trustee-Manager to the Trust in cash subsequent to the year end. The Trustee-Manager is 99% owned by Mr. Zhang Zhencheng, a director of the Trustee-Manager.

- (ii) Net cash outflow on acquisition of subsidiaries is provided below:

	Note	GROUP 2019 \$'000
Investment properties		407,843
Plant and equipment		47
Trade and other receivables		6,426
Cash and cash equivalents		6,610
Trade and other payables		(26,895)
Special Purpose Entities ("SPE") purchase consideration		(75,369)
Loans and borrowings		(96,790)
Deferred tax liabilities	13	(58,406)
Net identifiable assets acquired and liabilities assumed		163,466
Excess of fair value of net assets acquired over purchase consideration recognised as capital reserve		(102,166)
Purchase consideration		61,300
Add: SPE purchase consideration		75,369
Add: Trade and other payables assumed		21,740
Less: Cash and cash equivalents of subsidiaries acquired		(6,610)
Less: Trade and other payable not yet paid		(6,051)
Net cash outflow on acquisition		145,748

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors of the Trustee-Manager on 6 April 2020.

1. GENERAL

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

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

The address of the registered office of the Trustee-Manager is 8 Marina Boulevard #14-02 Marina Bay Financial Centre Tower 1 Singapore 018981.

The financial statements of the Trust as at and for the year ended 31 December 2019 comprise the Trust and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The principal activities of the Trust are to invest in, own or develop land, uncompleted developments and income-producing real estate in the Greater China (comprising PRC, Hong Kong and Macau), used primarily for retail purposes, as well as real estate-related assets with a focus on retail malls.

The Group has entered into several service agreements in relation to the management of the Trust and its property operations. The main fee structures for these services are as follows:

1.1 Trustee-Manager's fees

(i) Management fee

The Trustee-Manager is entitled to receive a base fee calculated at a rate in accordance with the formula below:

- Base fee
 - (a) 0.25% per annum of the value of the Trust Property, if the value of the Trust Property is less than or equal to \$10.0 billion; or
 - (b) 0.25% per annum of the value of the Trust Property up to \$10.0 billion plus 0.20% per annum of the value of the Trust Property which exceeds \$10.0 billion, if the value of the Trust Property is greater than \$10.0 billion.

For the purposes of calculating the base fee only, the value of the Trust Property shall not include the value of the investments in vacant land and uncompleted property developments by the Trust.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the Financial Statements

1. GENERAL (CONT'D)

1.1 Trustee-Manager's fees (Cont'd)

(i) Management fee (cont'd)

- Performance fee

The Trustee-Manager is entitled to receive a performance fee of 25.0% of the difference in distribution per unit ("DPU") in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance management fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

For the purpose of computing the performance fee for the financial year 2018, the DPU for 2018 was compared against the corresponding projected DPU as set out in the Prospectus.

(ii) Trustee fee

The Trustee-Manager is entitled to receive a trustee fee of 0.02% per annum of the value of the Trust Property, excluding out of pocket expenses and GST.

(iii) Acquisition fee

The Trustee-Manager is entitled to receive acquisition fee of 0.75% for acquisitions from Interested Person and 1.0% for all other acquisitions of the acquisition price plus any other payments in addition to the acquisition price made to the vendor.

(iv) Divestment fee

The Trustee-Manager is entitled to receive divestment fee of 0.5% of the sale price plus any other payments received in addition to the sale price from the purchaser.

The Trustee-Manager may elect to receive the management fees, trustee fees, acquisition fees and/or divestment fees in cash or Units or a combination of cash and/or Units (as it may in its sole discretion determine). The Trustee-Manager has elected to receive 100% of the Trustee Fee, Base Fee, Performance Fee and Acquisition Fee in the form of Units for 2018 and 2019.

1.2 Commercial Manager

(i) Commercial management fee and reimbursement of expenses

The Commercial Manager is entitled to receive commercial management fee of 1% of the monthly gross revenue of the properties and reimbursement of expenses as incurred for each property. The commercial management fee and reimbursement of expenses are payable to the Commercial Manager in the form of cash.

(ii) Lease-up commission

The Commercial Manager is entitled to receive a one-time fee of two months' gross rent for newly completed buildings or buildings undergoing major asset enhancement and/or renovation works.

This lease-up commission is payable to the Commercial Manager in the form of cash.

Notes to the Financial Statements

1. GENERAL (CONT'D)

1.3 Property Manager

Property management fee and reimbursement of expenses

The Property Manager is entitled to receive property management fee of 1% of the monthly gross revenue of the properties and reimbursement of expenses incurred for each property. The property management fee and reimbursement of expenses are payable to the Property Manager in the form of cash.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The consolidated financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of 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. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Information about critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements includes deferred taxation on investment properties under note 13, and the accounting for the acquisition of subsidiaries as a business combination under note 29.

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 financial year are included in the following notes:

- Note 4 – valuation of investment properties;
- Note 29 – acquisition of subsidiaries: fair value of the consideration transferred and fair value of the assets acquired and liabilities assumed, measured on a provisional basis.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the Financial Statements

2. BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (Cont'd)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 – investment properties;
- Note 29 – acquisition of subsidiaries.

2.5 Changes in accounting policies

The Group has applied the following amendments to and interpretations of IFRSs for the first time for the annual period beginning on 1 January 2019:

- IFRIC 23 *Uncertainty over Income Tax Treatments*
- *Prepayment Features with Negative Compensation* (Amendments to IFRS 9)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to IAS 12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to IAS 23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to IAS 19)

The application of the above amendments to standards and interpretations of IFRSs do not have a material effect on the Group's and Trust's financial statements.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 *Business Combinations* as at the date of acquisition, which is the date on which control is transferred to the Group.

The Group measures goodwill the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. When the acquisition transaction is with controlling unitholder, the excess of fair value of the net assets acquired and liabilities assumed over the purchase consideration is recognised as a reserve arising from a transaction with controlling unitholder.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by IFRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in the profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiaries.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Accounting for subsidiaries by the Trust

Investments in subsidiaries are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation (see note 3.2(ii)) which are recognised in other comprehensive income ("OCI").

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (Cont'd)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on the acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserve. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the profit or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to the NCI.

(iii) Net investment in a foreign operation

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of the Group's net investment in a foreign operation are recognised in OCI, and are presented within equity in the foreign currency translation reserve. When the foreign operation is disposed of, the cumulative amount in the foreign currency translation reserve is transferred to profit or loss as part of gain or loss on disposal.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (Cont'd)

- (ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flow through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (Cont'd)

(ii) Classification and subsequent measurement (Cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

The Group has the following non-derivative financial liabilities: trade and other payables, security deposits and loans and borrowings. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (Cont'd)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Group also derecognised a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carry amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded in cash and cash equivalents.

(vi) Derivative financial instruments

The Group holds derivative financial instruments to hedge its interest rate risk exposures.

Derivatives are initially measured at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are accounted for as non-current assets and are stated at initial cost on acquisition and at fair value thereafter.

The cost of a purchased property comprises its purchase price and any directly attributable expenditure. Transaction costs are included in the initial measurement.

Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year.

Any increase or decrease on revaluation is credited or charged to profit or loss as a net change in fair value of the investment properties.

Subsequent expenditure relating to investment properties that have already been recognised is added to the carrying amount when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in profit or loss is the difference between the net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above.

3.5 Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of retirement or disposal.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Plant and equipment (Cont'd)

(ii) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset. Depreciation is recognised from the date that the plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

Motor vehicles	– 5 years
Furniture, fittings and equipment	– 3 to 5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting period.

3.6 Intangible assets

Computer software licence

Computer software licence is measured at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the licence term or the estimated useful life of 5 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Costs associated with maintaining the software are expensed when incurred.

3.7 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs and lease receivables.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (Cont'd)

- (i) Non-derivative financial assets (Cont'd)

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables (including lease receivables). The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (Cont'd)

(i) Non-derivative financial assets (Cont'd)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (Cont'd)

(ii) Non-financial assets (Cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Unitholders' funds

Unitholders' funds represent the residual interests in the Group's net assets upon termination and are classified as equity.

Expenses incurred in connection with the issuance of Units in the Trust are deducted directly against the Unitholders' funds.

3.9 Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit or loss as incurred.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Retirement benefit costs

The Group participates in state-managed retirement benefit schemes, which are defined contribution schemes, pursuant to which the Group pays a fixed percentage of its qualifying staff's wages as contributions to the plans. Payments to such retirement benefit schemes are recognised in the profit or loss when employees have rendered service entitling them to the contributions.

3.10 Distribution policy

The Trust's distribution policy is to distribute 100% of its amount available for distribution to Unitholders for the period from 20 January 2017 ("Listing Date") to 31 December 2018. Thereafter, the Trustee-Manager will distribute at least 90% 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. Distribution to Unitholders will be made semi-annually based on the half-yearly results of the Trust.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Revenue recognition

(i) Rental income

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on an earned basis. No contingent rental is recognised if there are uncertainties due to the possible return of the amounts received.

(ii) Other income

Other income pertains to carpark revenue, advertising revenue, tenant promotional fee and other income attributable to the operation of the Properties. Such services are of short duration and is recognised when the services are rendered.

(iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

3.12 Leases

At inception of a contract, the Group assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Group obtains substantially all the economic benefits from the use of that asset, and whether the Group has the right to direct the use of the asset.

(i) As a lessee

The Group recognises a right-to-use (ROU) asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct costs and the cost of obligations to refurbish the asset, less any incentives received. The ROU asset is depreciated using the straight-line method over the shorter of lease term or the useful life of the underlying asset from the commencement of the lease. The ROU asset is subject to testing for impairment if there is an indicator for impairment. The lease liability is measured at amortised cost using the effective interest method. The Group uses its incremental onshore borrowing rate as the discount rate.

The ROU asset is included in the caption plant and equipment, and the lease liability is included in the captions current and non-current trade and other payables.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Expenses

- (i) Property expenses

Property expenses are recognised on an accrual basis.

- (ii) Trustee-Manager's management fee (base and performance fees) and trustee fee, Property Manager's property management fee and Commercial Manager's commercial management fees

These are recognised on an accrual basis based on the applicable formula stipulated in note 1.

3.14 Finance income and finance costs

Finance income comprises interest income recognised in the profit or loss as it accrues, using the effective interest method.

Finance costs which comprise interest expense on borrowings and expense incurred in connection with borrowings are recognised in the profit or loss, using the effective interest method over the period of the borrowings.

3.15 Taxation

Tax expenses comprises current and deferred tax. Current tax and deferred tax are recognised in the profit or loss except to the extent that it relates to a business combination, or items recognised directly in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit; and
- temporary differences related to investments in subsidiaries to the extent that the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Taxation (Cont'd)

Where investment properties are carried at their fair values in accordance with the accounting policy set out in note 3.4, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Except for the tax exemption as described below, taxable income earned by the Trust will be subject to Singapore income tax at the prevailing corporate tax rate.

Dividend received by the Trust from its subsidiary in Singapore is exempt from Singapore income tax under Section 13(1)(za) of the Singapore Income Tax Act, Chapter 134 of Singapore on the dividend income from its subsidiary in Singapore. This is provided the subsidiary is a tax resident of Singapore.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Earnings per unit

The Group presents basic and diluted earnings per unit ("EPU") data for its Units. Basic EPU is calculated by dividing the profit or loss attributable to Unitholders of the Group by the weighted average number of ordinary Units outstanding during the year. Diluted EPU is determined by adjusting the profit or loss attributable to Unitholders and the weighted average number of Units outstanding for the effects of all dilutive potential Units.

3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Makers ("CODMs"). The CODMs has been identified as the chief executive officer and the chief financial officer of the Trustee-Manager.

Segment results that are reported to the CODMs include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly financial derivative assets/liabilities, other receivables, cash and bank balances, trade and other payables, and interest-bearing borrowings.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment and capital expenditure on investment properties.

3.18 New standards and interpretations not yet adopted

A number of new IFRSs, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however the Group has not early applied the new or amended standards and interpretations in preparing these financial statements.

The following new IFRSs, interpretations and amendments to IFRSs are not expected to have a significant impact to the Group's financial statements and the Trust's statement of financial position:

- *Amendments to References to Conceptual Framework in IFRS Standards*
- *Definition of a Business* (Amendments to IFRS 3)
- *Definition of Material* (Amendments to IAS 1 and IAS 8)
- *IFRS 17 Insurance Contracts*

FINANCIALS & ADDITIONAL INFORMATION

Notes to the
Financial Statements

4. INVESTMENT PROPERTIES

	Note	GROUP	
		2019 \$'000	2018 \$'000
At 1 January		1,478,716	1,552,035
Acquisition through business combinations	29	407,843	–
Capital expenditure		2,020	2,904
		1,888,579	1,554,939
Effects of recognising accounting income on a straight-line basis over the lease term		2,083	1,939
Changes in fair value		(20,754)	(22,130)
Translation differences on consolidation		(38,735)	(56,032)
At 31 December		1,831,173	1,478,716

Investment properties comprise retail properties that are held mainly for use by tenants under operating leases.

On 12 September 2019, the Group completed the acquisition of 100% of the equity interests in Singapore Jiaxin Commercial Holdings Pte. Ltd. ("Doumen Holdco") and its subsidiaries. Doumen Holdco and its three Singapore subsidiaries are investment holding companies while the other two PRC subsidiaries comprise a property company and rental management company of Doumen Metro Mall.

The following retail properties of the Group are stated at fair value based on valuations expressed in RMB performed by independent professional valuers as at the reporting date and converted into Singapore dollar at the exchange rate prevailing on the reporting date.

Investment properties	Term of lease (years)	Lease expiry	2019		2018	
			RMB'000	\$'000	RMB'000	\$'000
Shiqi Metro Mall	24	27 July 2041	2,994,000	578,204	3,030,500	600,220
Xiaolan Metro Mall	28	1 April 2043	2,273,500	439,061	2,293,000	454,152
Ocean Metro Mall	31	21 February 2046	1,805,000	348,583	1,825,000	361,460
Dasin E-Colour	30	28 July 2045	309,500	59,771	317,500	62,884
Doumen Metro Mall	40	12 October 2052	2,100,000	405,554	–	–
			9,482,000	1,831,173	7,466,000	1,478,716

Contingent rents, representing income based on sales achieved by certain tenants, recognised in the statement of profit or loss during the year amounted to \$6,816,000 (2018: \$7,769,000).

Fair value

Investment properties are stated at fair value based on valuation as at 31 December 2019 and 31 December 2018 performed by independent professional valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. In determining the fair value, the valuers have used valuation methods which involve certain estimates. The Trustee-Manager reviews the key valuation parameters and underlying data including discount rates, capitalisation rates and terminal yield rates adopted by the valuers and is of the view that the valuation methods and estimates are reflective of the current market conditions. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Notes to the Financial Statements

4. INVESTMENT PROPERTIES (CONT'D)

Fair value (Cont'd)

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion.

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

Fair value of the investment properties were based on independent professional full valuations carried out by the following valuers on the dates stated below:

Investment properties	Valuers	Valuation Date	Valuation Date
Shiqi Metro Mall Xiaolan Metro Mall Ocean Metro Mall Dasin E-Colour	Colliers International (Hong Kong) Limited	31 December 2019	31 December 2018
Doumen Metro Mall	Jones Lang LaSalle Corporate Appraisal and Advisory Limited	31 December 2019	–

There has been no change to the valuation technique during the year.

Level 3 fair values

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

Valuation methods	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows approach	Discount rates from 6.25% to 7.50% per annum (2018: 6.25% per annum)	The fair value increases as discount rates and terminal rates decreases.
	Terminal rates from 4.25% to 4.50% (2018: 4.25%)	
Income capitalisation approach	Term yield rates from 3.00% to 4.50% (2018: from 3.50% to 4.50%)	The fair value increases as term yield and reversionary rate decreases.
	Reversionary rates from 4.50% to 5.00% (2018: from 4.50% to 5.00%)	

Security

The investment properties are pledged as security to secure credit facilities (note 12).

FINANCIALS & ADDITIONAL INFORMATION

Notes to the
Financial Statements

5. PLANT AND EQUIPMENT

	Note	Motor vehicles \$'000	Furniture, fittings and equipment \$'000	Right-Of-Use asset \$'000	Total \$'000
GROUP					
Cost					
At 1 January 2018		405	109	–	514
Additions during the year		–	6	149	155
Translation difference on consolidation		(19)	(4)	–	(23)
At 31 December 2018		386	111	149	646
Acquisition through business combinations	29	24	23	–	47
Additions during the year		–	19	–	19
Translation difference on consolidation		(3)	(4)	(3)	(10)
At 31 December 2019		407	149	146	702
Less: Accumulated depreciation					
At 1 January 2018		205	40	–	245
Charge for the year		75	12	51	138
Translation difference on consolidation		(6)	(4)	(1)	(11)
At 31 December 2018		274	48	50	372
Charge for the year		70	15	56	141
Translation difference on consolidation		(6)	1	(3)	(8)
At 31 December 2019		338	64	103	505
Carrying amounts					
At 1 January 2018		200	69	–	269
At 31 December 2018		112	63	99	274
At 31 December 2019		69	85	43	197

The right-of-use asset relates to the lease of an office premises for three years.

Notes to the Financial Statements

6. INTANGIBLE ASSETS

Intangible assets of the Group as at 31 December 2019 relate to the development cost incurred for a lease management software amounted to \$327,000 (2018: \$273,000), which has not been in use.

7. INTERESTS IN SUBSIDIARIES

	TRUST	
	2019 \$'000	2018 \$'000
Unquoted equity, at cost	61,300	— ^(a)
Quasi-capital loans ^(b)	623,141	528,063
	684,441	528,063

(a) Less than \$1,000

(b) The quasi-capital loans are unsecured and interest-free loans to subsidiaries for acquisition of the investment properties of the Group, where settlement is neither planned nor likely to occur in the foreseeable future. As the loans are, in substance, a part of the Trust's net investments in the subsidiaries, they are stated at cost, less accumulated impairment losses.

(a) Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation	Effective equity held by the Group	
			2019 %	2018 %
(i) Direct subsidiaries				
Singapore Dasin Commercial Holdings Pte. Ltd. ⁽²⁾ ("Singapore Dasin Commercial Holdings")	Investment holding	Singapore	100	100
Singapore Jiaxin Commercial Holdings Pte. Ltd. ⁽²⁾ ("Singapore Jiaxin Commercial Holdings")	Investment holding	Singapore	100 ⁽⁴⁾	—
(ii) Indirect subsidiaries				
Subsidiaries of Singapore Dasin Commercial Holdings				
Yi Xin Investments Pte. Ltd. ⁽²⁾ ("Yi Xin Investments")	Investment holding	Singapore	100	100
Lan Xin Investments Pte. Ltd. ⁽²⁾ ("Lan Xin Investments")	Investment holding	Singapore	100	100
Yuan Xin Investments Pte. Ltd. ⁽²⁾ ("Yuan Xin Investments")	Investment holding	Singapore	100	100
Yi Xin Management Pte. Ltd. ⁽²⁾ ("Yi Xin Management")	Investment holding	Singapore	100	100
Lan Xin Management Pte. Ltd. ⁽²⁾ ("Lan Xin Management")	Investment holding	Singapore	100	100
Sheng Xin Holdings Pte. Ltd. ⁽²⁾ ("Sheng Xin Holdings")	Investment holding	Singapore	100	100

FINANCIALS & ADDITIONAL INFORMATION

Notes to the
Financial Statements

7. INTERESTS IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows: (Cont'd)

Name of subsidiaries	Principal activities	Place of incorporation	Effective equity held by the Group	
			2019 %	2018 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiary of Singapore Jiaxin Commercial Holdings				
Jia Xin Holdings Pte. Ltd. ⁽²⁾ ("Jia Xin Holdings")	Investment holding	Singapore	100 ⁽⁴⁾	–
Subsidiary of Yi Xin Investments				
Zhongshan Xinteng Commercial Management Co., Ltd. ⁽¹⁾ (中山市信腾商业管理有限公司 ⁽³⁾) ("Xinteng Commercial")	Property investment (Dasin E-Colour)	People's Republic of China	100	100
Subsidiary of Lan Xin Investments				
Zhongshan Xinrui Commercial Management Co., Ltd. ⁽¹⁾ (中山市信瑞商业管理有限公司 ⁽³⁾) ("Xinrui Commercial")	Property investment (Xiaolan Metro Mall)	People's Republic of China	100	100
Subsidiary of Yuan Xin Investments				
Zhongshan Yuanxin Commercial Property Management Co., Ltd. ⁽¹⁾ (中山市远信商用物业管理有限公司 ⁽³⁾) ("Yuanxin Commercial")	Property investment and rental management (Ocean Metro Mall)	People's Republic of China	100	100
Subsidiary of Yi Xin Management				
Zhongshan Yicai Dasin Xinduhui Commercial Management Co., Ltd. ⁽¹⁾ (中山市溢彩大信新都汇商业管理有限公司 ⁽³⁾) ("Yicai Dasin Xinduhui")	Rental management (Dasin E-Colour)	People's Republic of China	100	100
Subsidiary of Lan Xin Management				
Zhongshan Xiaolan Dasin Xinduhui Commercial Management Co., Ltd. ⁽¹⁾ (中山市小榄大信新都汇商业管理有限公司 ⁽³⁾) ("Xiaolan Dasin Xinduhui")	Rental management (Xiaolan Metro Mall)	People's Republic of China	100	100

Notes to the Financial Statements

7. INTERESTS IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows: (Cont'd)

Name of subsidiaries	Principal activities	Place of incorporation	Effective equity held by the Group	
			2019 %	2018 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiaries of Sheng Xin Holdings				
Sheng Xin Management Pte. Ltd. ⁽²⁾ ("Sheng Xin Management")	Investment holding	Singapore	100	100
Sheng Xin Properties Pte. Ltd. ⁽²⁾ ("Sheng Xin Properties")	Investment holding	Singapore	100	100
Subsidiaries of Jia Xin Holdings				
Jia Xin Investments Pte. Ltd. ⁽²⁾ ("Jia Xin Investments")	Investment holding	Singapore	100 ⁽⁴⁾	–
Jia Xin Management Pte. Ltd. ⁽²⁾ ("Jia Xin Management")	Investment holding	Singapore	100 ⁽⁴⁾	–
Subsidiary of Sheng Xin Management				
Zhongshan Shiqi Dasin Xinduhui Commercial Management Co., Ltd. ⁽¹⁾ (中山市石岐大信新都汇商业管理有限公司 ⁽³⁾) ("Shiqi Dasin Xinduhui")	Rental management (Shiqi Metro Mall)	People's Republic of China	100	100
Subsidiary of Sheng Xin Properties				
Zhongshan Xinkong Commercial Management Co., Ltd. ⁽¹⁾ (中山市信控商业管理有限公司 ⁽³⁾) ("Xinkong Commercial")	Property investment (Shiqi Metro Mall)	People's Republic of China	100	100
Subsidiary of Jia Xin Investments				
Zhuhai Xinmingyang Investment Co., Ltd. ⁽¹⁾ (珠海新名扬投资有限公司 ⁽³⁾) ("Xinmingyang")	Property investment (Doumen Metro Mall)	People's Republic of China	100 ⁽⁴⁾	–
Subsidiary of Jia Xin Management				
Zhuhai Doumen Dasin Metro-Mall Commercial Management Co., Ltd. ⁽¹⁾ (珠海市斗门大信新都汇商业管理有限公司 ⁽³⁾) ("Doumen Dasin Metro-Mall")	Rental management (Doumen Metro Mall)	People's Republic of China	100 ⁽⁴⁾	–

(1) Audited by a member firm of Deloitte & Touche Tohmatsu Limited for consolidation purposes only.

(2) Audited by Deloitte & Touche LLP.

(3) The English names of those companies established in the PRC are for reference only and have not been registered.

(4) On 12 September 2019, the Group acquired 100% equity interest of Singapore Jiabin Commercial Holdings and its direct and indirect wholly-owned subsidiaries, namely Jia Xin Holdings, Jia Xin Investments, Jia Xin Management, Xinmingyang and Doumen Dasin Metro-Mall.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the
Financial Statements

8. FINANCIAL DERIVATIVES

	GROUP AND TRUST	
	2019 \$'000	2018 \$'000
Financial derivative assets	26	1,020
Financial derivative liabilities	(631)	–

The following are the contractual maturities of financial derivative assets and liabilities, including estimated interest payments:

	Carrying amount \$'000	Contractual cash flow \$'000	Within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000
GROUP AND TRUST					
Financial derivative assets					
2019					
Interest rate swaps	26	274	274	–	–
2018					
Interest rate swaps	1,020	2,835	1,662	1,173	–
Financial derivative liabilities					
2019					
Interest rate swaps	(631)	2,556	2,285	271	–
2018					
Interest rate swaps	–	–	–	–	–

As at reporting date, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The table also indicates the periods in which the cash flows associated with derivatives that are expected to occur and impact the profit or loss.

Notes to the Financial Statements

9. TRADE AND OTHER RECEIVABLES

	GROUP		TRUST	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Trade receivables – third parties	2,010	872	–	–
Loss allowance	(217)	–	–	–
	1,793	872	–	–
Trade receivables – related parties	339	293	–	–
Trade receivables (net)	2,132	1,165	–	–
Other receivables	9,865	4,540	8	–
Loss allowance	(6)	–	–	–
	9,859	4,540	8	–
Interest receivables	143	349	51	55
Amounts due from related parties (non-trade)	44	42	44	42
Amounts due from subsidiaries (non-trade)	–	–	136	122
Trade and other receivables	12,178	6,096	239	219
Prepayments	812	115	610	9
	12,990	6,211	849	228
Current	12,990	6,211	849	228

Included in other receivables was a recoverable net input value-added tax ("VAT") of approximately \$8,795,000 (2018: \$4,416,000).

Amounts due from related parties (non-trade) is unsecured, interest free and repayable on demand. There is no allowance for doubtful debts arising from these outstanding balances as the ECL is not material.

Concentration of credit risk relating to trade and other receivables 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. These tenants comprise retailers engaged in a wide variety of consumer trades.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the
Financial Statements**9. TRADE AND OTHER RECEIVABLES (CONT'D)***Expected credit loss assessment*

The following table provides information about the risk profile of the lifetime ECL's for trade and other receivables:

	Gross		Lifetime ECL	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
GROUP				
Not past due	10,957	5,753	5	–
Past due 1 – 30 days	786	282	21	–
Past due 31 – 60 days	264	27	27	–
Past due 61 – 90 days	166	18	48	–
More than 90 days past due	228	16	122	–
	12,401	6,096	223	–

Movements in allowance for impairment in respect of trade and other receivables

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

	GROUP	
	2019 \$'000	2018 \$'000
At 1 January	–	–
Loss allowance on trade and other receivables, net	56	–
Acquisition through business combinations	170	–
Translation difference	(3)	–
At 31 December	223	–

The majority of the trade receivables are mainly from tenants that have good credit records with the Group. The loss allowance account in respect of trade and other receivables is used to record loss allowance unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly.

TRUST

Amounts due from subsidiaries (non-trade) are unsecured, interest free and repayable on demand. There is no allowance for doubtful debts arising from these outstanding balances as the ECL is not material.

The ageing of the other receivables of the Trust at the reporting date are not past due and credit impaired.

10. FINANCIAL INVESTMENTS

The Group and the Trust have no financial investments as at 31 December 2019.

Financial investments of the Group as at 31 December 2018 relate to investments in RMB denominated income fund managed by the Bank of China in the People's Republic of China. The income fund invests in various short-term quoted and unquoted debt instruments and the financial investments earns fixed rate of interests ranging from 3.0% to 3.3% per annum with tenure ranging from 1 to 3 months. Such financial investments are classified as "financial assets at amortised cost" and are measured at amortised cost.

Notes to the Financial Statements

11. CASH AND BANK BALANCES

	GROUP		TRUST	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Bank balances	85,696	60,628	9,387	3,165
Fixed deposits with financial institutions	29,995	8,564	10,683	8,564
Cash and bank balances in statements of financial position	115,691	69,192	20,070	11,729
Less: Restricted cash	(32,480)	(24,211)	(10,683)	(8,564)
Cash and cash equivalents in statement of cash flows	83,211	44,981	9,387	3,165

Fixed deposits have original maturities of one month or less.

Restricted cash included (i) \$12,452,000 (2018: \$10,347,000) relating to securities pledged by a subsidiary and the Trust to obtain the term loan facilities (see note 12), (ii) \$19,312,000 (RMB100,000,000) (2018: \$13,864,000 (RMB70,000,000)) relating to security pledged by a subsidiary to obtain the revolving credit facilities for the Trust (see note 12), and (iii) \$716,000 (2018: nil) held by a subsidiary.

12. LOANS AND BORROWINGS

	GROUP		TRUST	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Secured bank loans (see notes below)	716,206	509,976	544,811	431,940
Less: Unamortised transactions costs	(10,693)	(9,465)	(7,505)	(7,633)
	705,513	500,511	537,306	424,307
Current	203,869	185,613	202,144	184,824
Non-current	501,644	314,898	335,162	239,483
	705,513	500,511	537,306	424,307

FINANCIALS & ADDITIONAL INFORMATION

Notes to the
Financial Statements

12. LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

Terms and conditions of the outstanding interest-bearing secured bank loans are as follows:

	Nominal interest rate per annum %	Year of maturity	Face value \$'000	Carrying amount \$'000
2019				
GROUP				
RMB secured floating rate term loan (onshore)	4.28	2020-2021	75,318	74,254
USD secured floating rate term loan (offshore)	3.20-4.39	2020-2021	180,574	178,662
SGD secured floating rate term loan (offshore)	2.78-3.56	2020-2021	242,000	239,321
RMB secured floating rate term loan (onshore)	4.90	2020-2029	96,077	93,953
SGD secured floating rate term loan (offshore)	3.03-3.28	2022	54,880	53,366
HKD secured floating rate term loan (offshore)	3.79-3.91	2022	50,757	49,357
SGD revolving credit facility	2.95-3.05	2020	16,600	16,600
			716,206	705,513
TRUST				
USD secured floating rate term loan (offshore)	3.20-4.39	2020-2021	180,574	178,662
SGD secured floating rate term loan (offshore)	2.78-3.56	2020-2021	242,000	239,321
SGD secured floating rate term loan (offshore)	3.03-3.28	2022	54,880	53,366
HKD secured floating rate term loan (offshore)	3.79-3.91	2022	50,757	49,357
SGD revolving credit facility	2.95-3.05	2020	16,600	16,600
			544,811	537,306
2018				
GROUP				
RMB secured floating rate term loan (onshore)	4.28	2019-2021	78,036	76,204
USD secured floating rate term loan (offshore)	2.58-3.94	2019-2021	182,940	179,502
SGD secured floating rate term loan (offshore)	2.14-3.29	2019-2021	242,000	237,805
SGD revolving credit facility	2.55-2.94	2019	7,000	7,000
			509,976	500,511
TRUST				
USD secured floating rate term loan (offshore)	2.58-3.94	2019-2021	182,940	179,502
SGD secured floating rate term loan (offshore)	2.14-3.29	2019-2021	242,000	237,805
SGD revolving credit facility	2.55-2.94	2019	7,000	7,000
			431,940	424,307

Notes to the Financial Statements

12. LOANS AND BORROWINGS (CONT'D)

Security

The Group has a Renminbi ("RMB") 390,000,000 (\$75,318,000) onshore syndicated term loan (the "Onshore Facility") and a Singapore Dollar ("SGD") 242,000,000 and United States Dollar ("USD") 134,286,000 (\$180,574,000) offshore syndicated term loan equivalent to \$422,574,000 in aggregate (the "Offshore Facilities").

As at 31 December 2019, the Group has secured a RMB497,500,000 (\$96,078,000) onshore syndicated term loan (the "Onshore Facility for Doumen Acquisition") and a \$54,880,000 and Hong Kong Dollar ("HKD") 294,000,000 (\$50,757,000) offshore syndicated term loan equivalent to \$105,637,000 in aggregate (the "Offshore Facilities for Doumen Acquisition").

The Onshore Facility and Onshore Facility for Doumen Acquisition are secured by legal mortgage over the investment properties of the Group with carrying amount of \$1,831,173,000 (2018: \$1,478,716,000) and a pledge over the sales proceeds, rental income and receivables derived from these properties. The Onshore Facility is a four-and-a-half-year term loan facility. The Onshore Facility for Doumen Acquisition is a ten-year term loan facility.

The Offshore Facilities and Offshore Facilities for Doumen Acquisition are secured by way of first ranking charges over the entire issued share capital of each of the Singapore holding companies and first ranking pledges over the entire issued share capital/equity interest of each of the PRC property companies and rental management companies.

The all-in-interest rate of the Onshore Facility and Onshore Facility for Doumen Acquisition, and Offshore Facilities and Offshore Facilities for Doumen Acquisition for 2019 were 5.6% and 5.3% (2018: the all-in-interest rate of the Onshore Facility and Offshore Facilities were 5.5% and 5.4%) respectively.

In addition to the above facilities, the Group has revolving credit facility of \$20,000,000 (2018: \$20,703,000) as at 31 December 2019. The Group has drawn down \$16,600,000 (2018: \$7,000,000) of the revolving credit facility as at 31 December 2019. The facility was obtained mainly for the purpose of financing the general working capital of the Group. The revolving credit facility is secured by the restricted cash (see note 11) from a subsidiary in PRC.

During the year ended 31 December 2019, the Trust extended the tenure of the first tranche comprising \$106,634,000 and USD52,404,000 (\$70,468,000) of the Offshore Facilities due on 20 January 2019 by another two years to 20 January 2021.

Subsequent to the year end, the Trust extended the tenure of the second tranche comprising \$102,445,000 and USD61,968,000 (\$83,329,000) of the Offshore Facilities due on 20 January 2020 by another one year to 20 January 2021.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the
Financial Statements

12. LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Loans and borrowings \$'000	Interest payable \$'000	Total \$'000
Balance at 1 January 2018	483,036	1,089	484,125
Changes from financing cash flows			
Finance costs paid	–	(15,853)	(15,853)
Proceeds from loans and borrowings	7,000	–	7,000
Repayment of loans and borrowings	(821)	–	(821)
Total changes from financing cash flows	6,179	(15,853)	(9,674)
Non-cash changes			
The effect of changes in foreign exchange rates and translation differences on consolidation	447	(15)	432
Amortisation of capitalised borrowing costs	10,849	–	10,849
Interest expense	–	16,766	16,766
Total non-cash changes	11,296	16,751	28,047
Balance at 31 December 2018 and 1 January 2019	500,511	1,987	502,498
Changes from financing cash flows			
Finance costs paid	–	(20,354)	(20,354)
Payment of transaction costs related to loans and borrowings	(7,475)	–	(7,475)
Proceeds from loans and borrowings	128,530	–	128,530
Repayment of loans and borrowings	(17,738)	–	(17,738)
Total changes from financing cash flows	103,317	(20,354)	82,963
Non-cash changes			
The effect of changes in foreign exchange rates and translation differences on consolidation	(5,110)	(25)	(5,135)
Acquisition through business combinations	96,790	–	96,790
Amortisation of capitalised borrowing costs	10,005	–	10,005
Interest expense	–	20,712	20,712
Total non-cash changes	101,685	20,687	122,372
Balance at 31 December 2019	705,513	2,320	707,833

FINANCIALS & ADDITIONAL INFORMATION

Notes to the
Financial Statements

14. TRADE AND OTHER PAYABLES

	GROUP		TRUST	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Trade payables – third parties	5,798	2,602	11	86
Trade payables – related parties	2,006	287	–	–
Trade payables	7,804	2,889	11	86
Accrued operating expenses	3,324	1,924	1,256	263
Amounts due to subsidiaries (non-trade)	–	–	47,909	25,044
Amounts due to related parties (non-trade)	1,894	900	1,653	681
Amount due to unitholders	343	343	343	343
Interest payables	2,320	1,987	1,505	1,292
Other payables	2,576	157	1,431	119
	18,261	8,200	54,108	27,828
Receipt in advance from tenants	2,811	2,952	–	–
Other taxes	606	493	232	–
	21,678	11,645	54,340	27,828
Non-current	3,040	60	–	–
Current	18,638	11,585	54,340	27,828
	21,678	11,645	54,340	27,828

The amounts due to related parties (non-trade) is unsecured, interest-free and repayable on demand.

Included in other payables was a lease liability of the Group of \$53,000 (2018: \$104,000) related to the right-of-use asset (note 5). Contractual undiscounted cash flows of the lease liabilities of the Group related to right-of-use asset are disclosed in note 30(c).

Trust

The amount due to subsidiaries (non-trade) are unsecured, interest-free and repayable on demand.

15. UNITHOLDERS' FUNDS

	Note	GROUP		TRUST	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Units in issue		194,137	138,727	194,137	138,727
Statutory surplus reserve	(i)	462	281	–	–
Capital reserve	(ii)	782,785	680,619	–	–
Foreign currency translation reserve	(iii)	(105,584)	(72,162)	–	–
Accumulated profits/(losses)		13,928	28,483	(81,028)	(49,822)
		885,728	775,948	113,109	88,905

Notes to the Financial Statements

15. UNITHOLDERS' FUNDS (CONT'D)

(i) Statutory surplus reserve

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

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 unitholders, provided that the balance after such conversion is not less than 25% of the registered capital.

(ii) Capital reserve

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

(iii) Foreign currency translation reserve comprises:

- (a) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Trust; and
- (b) the foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

16. UNITS IN ISSUE

	2019		2018	
	Number of units 000	\$'000	Number of units 000	\$'000
GROUP AND TRUST				
Units in issue				
At 1 January	557,649	137,655	552,444	149,826
Units issued arising from:				
– Trustee-Manager's fees paid in Units	5,015	4,318	5,205	4,441
– Acquisition fee paid in Units	2,016	1,686	–	–
– Private placement	82,354	68,848	–	–
Issue expenses	–	(979)	–	–
Distribution to Unitholders	–	(18,723)	–	(16,612)
	647,034	192,805	557,649	137,655
Units to be issued				
Trustee-Manager's fees payable in units	1,594	1,332	1,257	1,072
Total issued and issuable units as at 31 December	648,628	194,137	558,906	138,727

FINANCIALS & ADDITIONAL INFORMATION

Notes to the Financial Statements

16. UNITS IN ISSUE (CONT'D)

Units issued during the year ended 31 December 2019 are as follows:

- (a) On 11 March 2019, the Trust issued 1,257,253 Units at an issue price of \$0.85342 per unit as payment of the Trustee Fee and the Base Fee component of the Trustee-Manager's Management Fee for the period from 1 October 2018 to 31 December 2018;
- (b) On 31 May 2019, the Trust issued 1,247,260 Units at an issue price of \$0.86168 per unit as payment of the Trustee Fee and the Base Fee components of the Trustee-Manager's Management Fee for the period from 1 January 2019 to 31 March 2019;
- (c) On 20 August 2019, the Trust issued 1,195,791 Units at an issue price of \$0.88192 per unit as payment of the Trustee Fee and the Base Fee component of the Trustee-Manager's Management Fee for the period from 1 April 2019 to 30 June 2019;
- (d) On 12 September 2019, the Trust issued 82,354,000 Units at an issue price of \$0.83600 per unit in respect of a private placement exercise for the acquisition of Doumen Metro Mall;
- (e) On 3 December 2019, the Trust issued 1,315,028 Units at an issue price of \$0.84876 per unit as payment of the Trustee Fee and the Base Fee component of the Trustee-Manager's Management Fee for the period from 1 July 2019 to 30 September 2019; and
- (f) On 30 December 2019, the Trust issued 2,016,443 Units at an issue price of \$0.83600 per unit as payment of the acquisition fee for the acquisition of Doumen Metro Mall.

Units issued during the year ended 31 December 2018 are as follows:

- (g) On 19 March 2018, the Trust issued 1,349,264 Units at an issue price of \$0.81753 per unit as payment of the Trustee Fee and the Base Fee component of the Trustee-Manager's Management Fee for the period from 1 October 2017 to 31 December 2017;
- (h) On 20 June 2018, the Trust issued 1,317,295 Units at an issue price of \$0.87521 per unit as payment of the Trustee Fee, and the Base Fee and Performance Fee components of the Trustee-Manager's Management Fee for the period from 1 January 2018 to 31 March 2018;
- (i) On 30 August 2018, the Trust issued 1,285,066 Units at an issue price of \$0.86684 per unit as payment of the Trustee Fee and the Base Fee component of the Trustee-Manager's Management Fee for the period from 1 April 2018 to 30 June 2018;
- (j) On 3 December 2018, the Trust issued 1,253,546 Units at an issue price of \$0.85481 per unit as payment of the Trustee Fee and the Base Fee component of the Trustee-Manager's Management Fee for the period from 1 July 2018 to 30 September 2018.

The issue prices for items (a) to (c), (e) and (g) to (j) were determined based on the volume weighted average traded price for all trades done on the SGX-ST in the ordinary course of trading for the last 10 business days of the relevant periods in which the trustee fee and management fees accrue.

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- one vote per Unit;
- receive income and other distributions attributable to the Units held;

Notes to the Financial Statements

16. UNITS IN ISSUE (CONT'D)

Each of Aqua Wealth and Bounty Way has on 13 January 2017 provided the Trustee-Manager a Distribution Waiver Undertaking pursuant to which each of Aqua Wealth and Bounty Way has agreed to waive a portion of its entitlement to distributions from the Trust over a period of approximately five years, commencing from the Listing Date (the "Distribution Waiver Period") to 31 December 2021.

Distribution Waiver Period	Aggregate number of Aqua Wealth and Bounty Way Units not entitled to Distributions	% of total number of Units on Listing Date
Listing Date to 31 December 2017	302,283,481	55.0%
1 January 2018 to 31 December 2018	263,811,038	48.0%
1 January 2019 to 31 December 2019	247,322,848	45.0%
1 January 2020 to 31 December 2020	192,362,214	35.0%
1 January 2021 to 31 December 2021	82,440,948	15.0%

- participate in the winding up or liquidation of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any Trust Property (or any part thereof) or any real estate, any interest in any asset and real estate-related Trust Property (or any part thereof); and
- attend all Unitholders' meetings. The Trustee-Manager may (and the Trustee-Manager shall at the request in writing of not less than two Unitholders and constitutes not less than five-percent in number of Unitholders, whichever is higher; or not less than two Unitholders and hold in aggregate not less than 10% of the total voting rights of all the Unitholders having at the date of calling of the meeting a right to vote at general meetings of the Unitholders of the registered business trust) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Trustee-Manager to redeem his Units while the Units are listed on the SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any unit in the Trust. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee-Manager or any creditor of the Trustee-Manager in the event that the liabilities of the Trust exceed its assets.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the Financial Statements

17. TOTAL UNITHOLDERS' DISTRIBUTION

Unitholders' distribution for the year is accounted for as distribution from operations and distribution from Unitholders' contributions:

(a) Distribution from operations

This refers to distribution made by the Trust that is represented by income received or receivable during the financial year, as the case may be, net of expenses. Such income comprises mainly the following:

- dividend from subsidiaries in PRC paid out of dividend declared by the subsidiaries.

The above income originates from income derived by the subsidiaries in PRC in respect of the current financial year.

(b) Distribution from Unitholders' contributions

This refers to the amount of distribution made by the Trust for the financial year where the underlying cash is not, or may not be, received or receivable as income by the Trust during that period. Distribution is calculated based on profits from operations arising from the investment properties which are declared as dividend income after the financial year, as the case may be, and accordingly also received as dividends by the Trust after that year, and after adjusting for the following:

- changes in fair value and the related deferred taxation of investment properties;
- amortisation of capitalised transaction costs and commitment fee expense;
- depreciation of plant and equipment;
- fair value changes of derivative financial instruments;
- rental income recognised on a straight-line basis;
- trust expenses that are paid in Units and certain unrealised expenses;
- cash allocated for interest and principal repayments for loan facilities;
- unrealised exchange differences; and
- non-recurring expenses.

Income available for distribution to Unitholders at end of the year

Distributions are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. In accordance with the provisions of the Trust Deed, the Trustee-Manager is required to pay distributions within 90 days from the end of each distribution period. Distributions, when paid, will be in Singapore dollars.

Distributions for the period from 1 January 2019 to 30 June 2019 had been paid on 27 September 2019. Distributions for the period from 1 July 2019 to 31 December 2019 was paid on 3 December 2019 in an advanced distribution. Distribution for the period from 1 January 2020 to 31 December 2019 will be paid within 90 days of the end of the distribution period, in accordance with the provisions of the Trust Deed.

Notes to the Financial Statements

18. REVENUE

	GROUP	
	2019 \$'000	2018 \$'000
Rental income	66,336	62,911
Other operating income	9,671	8,377
	76,007	71,288

Other operating income includes carpark revenue, advertising revenue, tenant promotional fee and other income attributable to the operation of the investment properties. Such services are of short duration and is recognised when the services are rendered. Payment is due when services are rendered except when credit term is granted.

19. OTHER PROPERTY OPERATING EXPENSES

	Note	GROUP	
		2019 \$'000	2018 \$'000
Advertising and promotion		1,834	1,010
Cleaning services		2,141	1,960
Depreciation of plant and equipment	5	141	138
Loss allowance on trade and other receivables	9	56	–
Repair and maintenance		2,645	3,074
Staff costs		513	466
Utilities		2,267	1,778
Others		530	323
		10,127	8,749

20. TRUSTEE-MANAGER'S FEES

	GROUP	
	2019 \$'000	2018 \$'000
Management fee – base fee	4,239	4,046
Trustee fee	339	324
Acquisition fee	1,686	–
	6,264	4,370

The Trustee-Manager's management and trustee fees for the year ended 31 December 2019 was \$4,578,000 (2018: \$4,370,000). \$3,246,000 (2018: \$3,298,000) was paid during the year through the issuance of 3,758,000 (2018: 3,808,000) Units, at unit prices ranging from \$0.84876 to \$0.88192 (2018: \$0.85481 to \$0.87521) per Units. The remaining \$1,332,000 (2018: \$1,072,000) was paid through the issuance of 1,594,000 (2018: 1,257,000) Units at a unit price of \$0.83597 (2018: \$0.85342) subsequent to the year end.

During the financial year 2019, an acquisition fee \$1,686,000 (2018: nil) in relation to acquisition of Doumen Metro Mall was paid through issuance of 2,016,000 (2018: nil) Units.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the Financial Statements

20. TRUSTEE-MANAGER'S FEES (CONT'D)

No performance fee was paid/payable for financial year 2019. During the financial year 2018, a performance fee of \$40,000 was paid by the Trust by issuance of 48,000 Units in the first quarter ended 31 March 2018. No performance fee was payable by the Trust to the Trustee-Manager for the year ended 31 December 2018 after having considered the Trust's full year performance. Accordingly, the performance fee of \$40,000 was reversed and the amount was refunded by the Trustee-Manager to the Trust in cash subsequent to the year end.

The Trustee-Manager is 99% owned by Mr. Zhang Zhencheng, a director of the Trustee-Manager.

21. FINANCE INCOME AND FINANCE COSTS

	GROUP	
	2019 \$'000	2018 \$'000
Finance income:		
– banks	1,167	2,043
Finance costs:		
– bank loans and borrowings	(30,757)	(27,615)
– interest on lease liabilities	(3)	(6)
Net finance costs recognised in statement of profit or loss	(29,593)	(25,578)

22. INCOME TAX EXPENSE

	Note	GROUP	
		2019 \$'000	2018 \$'000
Current taxation			
Current year		7,755	8,334
Withholding tax	13	1,190	1,275
		8,945	9,609
Deferred taxation			
Origination of temporary differences	13	2,100	2,655
Income tax expense		11,045	12,264

Notes to the Financial Statements

22. INCOME TAX EXPENSE (CONT'D)

Reconciliation of effective tax rate

	GROUP	
	2019 \$'000	2018 \$'000
Profit before income tax	3,609	790
Tax calculated using Singapore tax rate of 17%	614	134
Adjustments:		
Effect of different tax rates in foreign jurisdictions	3,291	4,402
Income not subject to tax	(5,409)	(1,449)
Expenses not deductible for tax purposes	9,683	6,421
Deferred tax assets not recognised	1,676	1,481
Withholding tax	1,190	1,275
	11,045	12,264

23. LOSS FOR THE YEAR

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

	GROUP	
	2019 \$'000	2018 \$'000
Audit fees paid/payable to:		
– auditors of the Group	338	263
– other auditors	27	22
Facility agent and security agent fees	119	100
Legal and professional fees	511	474
Legal and professional fees relating to acquisition through business combinations	819	–
Stamp duty	328	–
Unclaimable GST expenses	692	498
Investor relations	203	218

Included in legal and professional fees were fee relating to legal, valuation, tax, internal audit and compliance fees.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the
Financial Statements

24. AMOUNT AVAILABLE FOR DISTRIBUTION

	GROUP	
	2019 \$'000	2018 \$'000
Loss for the year attributable to Unitholders	(7,436)	(11,474)
Net adjustments (Note A)	30,706	32,690
Amount available for distribution	23,270	21,216
Amount available for distribution to Unitholders at 1 January	10,713	10,438
Amount available for distribution for the current year	23,270	21,216
Total amount available for distribution	33,983	31,654
Distribution to Unitholders:		
Distribution of 4.15 cents per Unit for the period from 1 July 2017 to 31 December 2017	–	(10,438)
Distribution of 3.59 cents per Unit for the period from 1 January 2018 to 30 June 2018	–	(10,503)
Distribution of 3.63 cents per Unit for the period from 1 July 2018 to 31 December 2018	(10,713)	–
Distribution of 3.39 cents per Unit for the period from 1 January 2019 to 30 June 2019	(10,646)	–
Distribution of 1.37 cents per Unit for the period from 1 July 2019 to 11 September 2019	(4,302)	–
	(25,661)	(20,941)
Less: Amount to be distributed in future periods	(55)	–
Amount available for distribution to Unitholders at 31 December	8,267	10,713
Note A		
Net distribution adjustments comprises:		
Amortisation of capitalised transaction costs	10,005	10,849
Deferred income tax expense	2,100	2,655
Depreciation of plant and equipment	141	87
Net change in fair value of derivative financial instruments	1,626	(676)
Net change in fair value of investment properties	20,754	22,130
Recognition of rental income on a straight line basis over the lease term	(2,083)	(1,939)
Trustee-Manager's fees paid/payable in units	4,578	4,410
Trustee-Manager's acquisition fees paid/payable in units	1,686	–
Unrealised foreign exchange (gain)/loss	(3,818)	2,855
Interest income on financial investments	23	(23)
Loan repayment	(1,855)	(796)
Transfer to statutory reserve	(181)	–
Loss allowance on trade and other receivables	56	–
Expenses relating to acquisition through business combinations	819	–
Stamp duty	328	–
Other adjustments	(3,473)	(6,862)
	30,706	32,690

Notes to the Financial Statements

24. AMOUNT AVAILABLE FOR DISTRIBUTION (CONT'D)

The Trustee-Manager declared a distribution of 2.06 cents (2018: 3.63 cents) per Unit to unitholders in respect of the period from 12 September 2019 to 31 December 2019 (2018: 1 July 2018 to 31 December 2018), amounting to \$8,267,000 (2018: \$10,713,000).

Included in other adjustments are amounts set aside for future repayment of interest and related costs of loan facilities.

25. EARNINGS PER UNIT

	GROUP	
	2019 \$'000	2018 \$'000
Loss for the year	(7,436)	(11,474)

Basic earnings per unit

The calculation of basic earnings per unit is based on weighted average number of Units during the year and loss for the year after taxation before distribution.

	GROUP	
	2019 Number of units '000	2018 Number of units '000
Issued Units		
– As at beginning of the year	557,649	552,444
– Trustee-Manager's trustee and management fees paid in Units	2,284	2,316
– Trustee-Manager's acquisition fee paid in Units	6	–
– Private placement	25,045	–
Weighted average number of issued Units at the end of the year	584,984	554,760

Diluted earnings per unit

The calculation of diluted earnings per Unit is based on weighted average number of Units during the year and loss for the year after taxation before distribution.

	GROUP	
	2019 Number of units '000	2018 Number of units '000
Issued/Issuable Units		
– As at beginning of the year	557,649	552,444
– Trustee-Manager's trustee and management fees paid/payable in Units	3,878	3,573
– Trustee-Manager's acquisition fee paid in Units	6	–
– Private placement	25,045	–
Weighted average number of issued and issuable Units at the end of the year	586,578	556,017

Diluted earnings per share is the same as basic earnings per share as the effects of potential ordinary shares is anti-dilutive for years 2019 and 2018.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the Financial Statements

26. IMMEDIATE HOLDING COMPANY AND ULTIMATE CONTROLLING PARTY

For financial reporting purposes under 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.

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities.

The Trustee-Manager, being Dasin Retail Trust Management Pte. Ltd. is 99% owned by Mr. Zhang Zhencheng, a director of the Trustee-Manager.

The Commercial Manager, being Zhongshan Dasin Commercial Property Management Co., Ltd. and Zhongshan Dasin Commercial Property Management Co., Ltd., Zhuhai Branch. The shareholders of Zhongshan Dasin Real Estate Co., Ltd. (the "Sponsor") has an effective equity interest of 100% in the Commercial Manager. The Commercial Manager is entitled to receive a management fee, lease-up commission and reimbursement of expenses at cost (see note 1.2).

The Property Manager, being Zhongshan Jixin Property Management Co., Ltd., Shiqi Branch, and Zhongshan Jixin Property Management Co., Ltd., Zhuhai Branch. The Sponsor of the Trust has an effective interest of 33% in the Property Manager. The Property Manager is entitled to receive a management fee and reimbursement of expenses at cost (see note 1.3).

In the normal course of the operations of the Trust, the Trustee-Manager's management fees and the trustee's fees have been paid or are payable to the Trustee-Manager. The commercial management fees and reimbursement of expenses at cost have been paid or are payable to the Commercial Manager. The property management fees and reimbursement of expenses at cost have been paid or are payable to the Property Manager.

Notes to the Financial Statements

27. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Other related party transactions

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

	Note	GROUP		TRUST	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Fees paid/payable to Trustee-Manager	20				
– base management fee		4,239	4,046	4,239	4,046
– trustee fee		339	324	339	324
– acquisition fee		1,686	–	1,686	–
Commercial management fees paid/ payable to a related party					
– management fee		732	690	–	–
– lease-up commission		–	112	–	–
– reimbursement of expenses at cost		1,872	1,343	–	–
Property management fees paid/payable to a related party					
– management fee		732	341	–	–
– reimbursement of expenses at cost		4,986	5,224	–	–
Lease rental received/receivable from related parties					
– lease rental income		14,623	15,265	–	–
– reimbursement of expenses at cost		1,707	1,956	–	–
Lease rental paid/payable		59	62	–	–
Other revenue from related parties		1,741	1,598	–	–
Other property operating expenses paid/ payable to related parties		70	16	–	–
Dividend income from a subsidiary		–	–	10,000	5,800
Advances to subsidiaries		–	–	13	122
Interest expense paid/payable to subsidiaries		–	–	183	2
Loans from subsidiaries		–	–	22,683	30,399
Advances from related parties		597	304	597	304
Advances to a related party		44	–	44	–

FINANCIALS & ADDITIONAL INFORMATION

Notes to the Financial Statements

28. OPERATING SEGMENTS

The Group has 5 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 Chief Operating Decision-Makers ("CODMs") review internal management reports on a monthly basis. The CODMs has been identified as the chief executive officer and the chief financial officer of the Trustee-Manager.

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

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODMs for the purpose of assessment of segment performance. In addition, the CODMs monitor the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the Trust's financial assets and liabilities and its expenses. Segment capital expenditure is the total cost incurred during the year to improve segment assets that are expected to be used for more than one year.

Information regarding the Group's reportable segments is presented in the tables in the following pages.

Notes to the Financial Statements

28. OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	Shiqi Metro Mall		Xiaolan Metro Mall		Ocean Metro Mall		Dasin E-Colour		Doumen Metro Mall		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019* \$'000	2018 \$'000	2019 \$'000	2018 \$'000
External revenues:												
- Gross rental income	22,431	23,466	22,961	23,278	13,393	13,555	2,707	2,612	4,844	-	66,336	62,911
- Others	2,890	2,834	2,552	2,626	2,338	2,331	514	586	1,377	-	9,671	8,377
Gross revenue	25,321	26,300	25,513	25,904	15,731	15,886	3,221	3,198	6,221	-	76,007	71,288
Segment net property income	20,347	21,917	21,282	21,878	11,373	11,204	2,344	2,324	4,636	-	59,982	57,323
Finance income	348	456	325	615	429	700	72	168	34	-	1,208	1,939
Finance costs	3	6	-	-	4,338	4,421	-	-	1,627	-	5,968	4,427
Segment assets	613,139	630,689	477,138	488,425	380,651	388,515	65,875	69,554	425,826	-	1,962,629	1,577,183
Segment liabilities	242,443	249,941	199,388	208,521	251,646	261,976	48,093	51,272	262,697	-	1,004,267	771,710
Other segment items:												
Depreciation and amortisation	57	51	8	9	71	78	1	-	4	-	141	138
Net change in fair value of investment properties	(7,997)	(1,653)	(5,814)	(22,027)	(4,877)	2,341	(1,521)	(791)	(545)	-	(20,754)	(22,130)
Capital expenditure	357	868	1,172	2,323	447	68	14	70	103	-	2,093	3,329

* Doumen Metro Mall was acquired by the Trust on 12 September 2019. This refers to the period from 13 September 2019 to 31 December 2019.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the
Financial Statements

28. OPERATING SEGMENTS (CONT'D)

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

	GROUP		
	2019 \$'000	2018 \$'000	
Revenue			
Total revenue for reporting segments	76,007	71,288	
Total profit before income tax			
Total profit for reportable segments before income tax	34,468	32,705	
Unallocated amounts:			
– Other corporate expenses	(30,859)	(31,915)	
Profit before income tax	3,609	790	
Assets			
Total assets for reportable segments	1,962,629	1,577,183	
Other unallocated amounts	(2,225)	2,253	
Consolidated assets	1,960,404	1,579,436	
Liabilities			
Total liabilities for reportable segments	1,004,267	771,710	
Other unallocated amounts	70,409	31,778	
Consolidated liabilities	1,074,676	803,488	
	Reportable segment totals \$'000	Unallocated amounts \$'000	Consolidated totals \$'000
Other material items 2019			
Finance income	1,208	(41)	1,167
Finance costs	5,968	24,792	30,760
Other material items 2018			
Finance income	1,939	104	2,043
Finance costs	4,427	23,194	27,621

Geographical segments

All of the Group's investment properties are used for retail purposes and are located in PRC.

Major tenant

Tenant who contributed revenue of 10% or more to the Group is considered major tenant. Revenue from one (2018: two) tenant(s) of the Group represent(s) approximately \$7,774,000 of the Group's total revenue for the year ended 31 December 2019 (2018: \$8,531,000 and \$7,771,000). The major tenant of 2019 and one of the major tenants of 2018 is a related party of the Sponsor, and one of the directors of the Trustee-Manager is a director of one of the entities of the group of the other major tenant of 2018.

Notes to the Financial Statements

28. OPERATING SEGMENTS (CONT'D)

Disaggregation of revenue

In the following table, revenue is disaggregated by type of tenants of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's five reportable segments.

	Shiqi Metro Mall \$'000	Xiaolan Metro Mall \$'000	Ocean Metro Mall \$'000	Dasin E-Colour \$'000	Doumen Metro Mall* \$'000	Total \$'000
2019						
Trade sector						
Departmental store	4,476	4,828	2,822	–	–	12,126
Fashion	2,043	4,624	1,626	123	1,043	9,459
Food and Beverage	3,187	3,681	2,831	685	1,477	11,861
General retail	3,584	3,554	521	239	659	8,557
Home furnishings	2,846	1,303	899	–	183	5,231
IT and electronics	3,327	1,785	43	–	180	5,335
Leisure and entertainment	725	363	1,064	890	527	3,569
Services	217	684	164	649	–	1,714
Sports and fitness	308	21	997	–	–	1,326
Supermarket/Hypermarket	1,244	1,333	1,169	–	496	4,242
Others	3,364	3,337	3,595	635	1,656	12,587
Gross revenue	25,321	25,513	15,731	3,221	6,221	76,007

	Shiqi Metro Mall \$'000	Xiaolan Metro Mall \$'000	Ocean Metro Mall \$'000	Dasin E-Colour \$'000	Doumen Metro Mall* \$'000	Total \$'000
2018						
Trade sector						
Departmental store	5,101	4,986	3,093	–	–	13,180
Fashion	2,087	4,264	1,679	113	–	8,143
Food and Beverage	3,553	4,193	2,918	759	–	11,423
General retail	3,184	3,419	526	258	–	7,387
Home furnishings	2,787	780	884	–	–	4,451
IT and electronics	3,298	1,653	41	–	–	4,992
Leisure and entertainment	826	1,095	1,242	823	–	3,986
Services	305	704	159	584	–	1,752
Sports and fitness	231	39	1,059	–	–	1,329
Supermarket/Hypermarket	1,313	1,406	945	–	–	3,664
Others	3,615	3,365	3,340	661	–	10,981
Gross revenue	26,300	25,904	15,886	3,198	–	71,288

* Doumen Metro Mall was acquired by the Trust on 12 September 2019. This refers to the period from 13 September 2019 to 31 December 2019.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the Financial Statements

29. ACQUISITION OF SUBSIDIARIES

On 30 June 2019, the Trust entered into a sale and purchase agreement with a director of the Trustee-Manager and the Sponsor to acquire 100% of the equity interest in Singapore Jiaxin Commercial Holdings Pte. Ltd. ("Doumen Holdco") and its subsidiaries for a purchase consideration of \$61,300,000. The acquisition was completed on 12 September 2019. Doumen Holdco and its three Singapore subsidiaries are investment holding companies while the two PRC subsidiaries are a property company and a rental management company of Doumen Metro Mall. From 13 September 2019 to 31 December 2019, Doumen Holdco and its subsidiaries contributed revenue of \$6,221,000 and net profit of \$3,711,000 to the consolidated net profit for the year. If the acquisition had occurred on 1 January 2019, the Group's consolidated revenue would increase by \$13,675,000 and consolidated net loss would increase by \$1,349,000. The excess of the fair value of assets acquired and liabilities assumed over the purchase consideration of Doumen Holdco and its subsidiaries of about \$102,166,000 has been recognised as a reserve arising from a transaction with a controlling unitholder.

The Group incurred an acquisition-related costs of \$328,000 on stamp duties incurred directly due to the acquisition transaction. These costs have been included in "other trust expenses".

The effect of acquisitions of subsidiaries and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition was set out below:

	GROUP
Note	2019 \$'000
Investment properties	407,843
Plant and equipment	47
Trade and other receivables	6,426
Cash and cash equivalents	6,610
Trade and other payables	(26,895)
SPE purchase consideration	(75,369)
Loans and borrowings	(96,790)
Deferred tax liabilities	13 (58,406)
Net identifiable assets acquired and liabilities assumed	163,466
Excess of fair value of net assets acquired over purchase consideration recognised as capital reserve	(102,166)
Purchase consideration	61,300

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Investment properties	<p><i>Income capitalisation method and discounted cash flow method:</i></p> <p>The income capitalisation method capitalises an income stream into a present value using a single-year capitalisation rate. The discounted cash flow method considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate and occupancy rate. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms.</p>

The fair value of the investment property as at 31 August 2019 was based on independent valuation undertaken by D&P China (HK) Limited (based on the average of the values derived by the Discounted Cash Flow and Income Capitalisation methods).

At the date of acquisition, included in current assets are trade and other receivables of \$6,426,000. As at 31 December 2019, the Group has collected \$655,000 of the trade and other receivable and an ECL \$107,000 out of \$170,000 of the total ECL made on the acquisition date was reversed. The remaining balance of the trade and other receivables was mainly relating to input VAT, prepayment and receivable deposit.

Notes to the Financial Statements

30. COMMITMENTS

(a) Capital commitments

	GROUP	
	2019 \$'000	2018 \$'000
Payable:		
– contracted but not provided for	141	248

- (b) The Group leases out its investment properties. Operating lease rentals are receivable accordingly to lease agreements. These lease agreements are cancellable with no enforceable rights to receive rental of unexpired terms upon early termination, with rental deposits being non-refundable to the tenants as follows:

	GROUP	
	2019 \$'000	2018 \$'000
Receivable:		
– within 1 year	62,158	49,611
– after 1 year but within 2 years	49,347	39,627
– after 2 years but within 3 years	31,315	31,851
– after 3 years but within 4 years	32,414	25,623
– after 4 years but within 5 years	24,623	24,416
– after 5 years	72,819	69,792
	272,676	240,920

- (c) The Group leases an office and the maturity analysis of the contractual undiscounted cash flows is presented as follows:

	GROUP	
	2019 \$'000	2018 \$'000
Payable:		
– within 1 year	55	53
– after 1 year but within 2 years	–	55
	55	–

31. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital management

The Group's objectives when managing capital are to optimise Unitholders' value through the combination of available capital sources which include debt and equity instruments whilst complying with statutory and constitutional capital and distribution requirements, maintaining aggregate leverage and interest service coverage ratio within approved limits. As a key part of the Group's overall strategy, the Board of Directors of the Trustee-Manager reviews the Group and the Trust's debt and capital management and financing policy regularly so as to optimise the Group and the Trust's funding structure. The Board of Directors also monitors the Group and the Trust's exposure to various risk elements by closely adhering to clearly established management policies and procedures.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the Financial Statements

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

Capital management (Cont'd)

The Group is subject to the aggregate leverage limit as set out in the Trust Deed and facilities agreement (note 12) ("Leverage Limit"). The Leverage Limit stipulates that the total borrowings and deferred payments (together, the "Aggregate Leverage") of the Trust should not exceed 60% of the value of the Trust Property after the Trust is listed on the SGX-ST. The Leverage Limit of the facilities agreement stipulates that the total liabilities exclude deferred tax liabilities shall not exceed 45% of the total consolidated total assets. The Group's aggregate leverage limit did not exceed 45% during the year, and was 38% as at 31 December 2019 (2018: 33%).

There were no changes in the Group's approach to capital management during the financial year.

Financial risk management

Overview

The Group's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity, interest rate and foreign currency risks.

Financial risk management is integral to the whole business of the Group. The Group adopts an integrated approach to manage the financial risks arising in the normal course of the Group's business. The Group has written risk management policies and guidelines, and established processes to monitor and manage significant exposures. Risk management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group adheres to standardised accounting and financial policies and exercises effective controls over the financial affairs of its subsidiaries. This is achieved by ensuring group-wide adherence to a comprehensive set of guidelines covering contracts, policies and procedures and other requirements. Adequate measures are in place to ensure that the reliability and integrity of financial information compiled from subsidiaries are kept intact.

Credit risk

While it is necessary to assume a certain level of tenant credit risks to remain competitive in the PRC, the Group has established credit limits for tenants and monitors their balances on an ongoing basis. Risks associated with credit limits are reflected in the level of security deposits in respect of the leases. Appropriate risk mitigating actions are in place to manage trade receivables.

The Group establishes loss allowance that represents the ECL in respect of financial assets. The loss allowance account comprises (i) the lifetime ECL for trade receivables using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of condition at the reporting date, including the time value of money where appropriate; (ii) 12-month ECL for all other instruments when there is default events on a financial instrument that are possible within the 12 months after the reporting date; and (iii) the lifetime ECL which is recognised when there is a significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

The loss allowance account in respect of financial assets is used to record loss allowance unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the loss allowance account is written off against the carrying amount of the impaired financial asset.

The Group uses a provision matrix to measure the ECL of trade receivables collectively, which comprise a very large number of small balances.

Financial investments are managed by a bank which is regulated by a bank in the PRC. The credit risk is limited to the default of the bank, with a maximum exposure equal to the carrying value of these investments.

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

The Group considers that its financial investments and cash and fixed deposits have low credit risk based on the external credit ratings of the counterparties.

Notes to the Financial Statements

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (Cont'd)

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

The following are the contractual maturities of non-derivative financial liabilities, including estimated interest payments and excluding the impact of netting agreements and derivative instrument that settles on a net basis:

	Carrying amount \$'000	Contractual cash flow \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000	After 5 years \$'000
2019					
GROUP					
Loans and borrowings	705,513	780,274	220,643	447,754	111,877
Financial derivative instruments	605	2,829	2,558	271	–
Trade and other payables	18,261	18,477	15,221	3,256	–
Security deposits	15,822	15,822	15,822	–	–
	740,201	817,402	254,244	451,281	111,877
TRUST					
Loans and borrowings	537,306	559,943	210,888	349,055	–
Financial derivative instruments	605	2,829	2,558	271	–
Trade and other payables	54,108	54,108	54,108	–	–
	592,019	616,880	267,554	349,326	–
2018					
GROUP					
Loans and borrowings	500,511	525,499	194,658	330,841	–
Financial derivative instruments	(1,020)	2,835	1,662	1,173	–
Trade and other payables	8,200	8,200	8,200	–	–
Security deposits	13,592	13,592	13,592	–	–
	521,283	550,126	218,112	332,014	–
TRUST					
Loans and borrowings	424,307	439,484	190,508	248,976	–
Financial derivative instruments	(1,020)	2,835	1,662	1,173	–
Trade and other payables	27,828	27,828	27,828	–	–
	451,115	470,147	219,998	250,149	–

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

In addition, the Group maintains the following debt facilities and programme as at 31 December 2019.

Chinese Renminbi ("RMB") denominated facility:

- RMB390,000,000 four-and-a-half-year secured term loan facilities
- RMB497,500,000 ten-year secured term loan facilities

FINANCIALS & ADDITIONAL INFORMATION

Notes to the Financial Statements

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (Cont'd)

Liquidity risk (Cont'd)

\$ denominated facilities:

- \$106,634,000 two-year secured term loan facilities
- \$102,445,000 three-year secured term loan facilities
- \$32,921,000 four-year secured term loan facilities
- \$54,880,000 three-year secured term loan facilities
- \$20,000,000 revolving credit facilities

United States dollar ("USD") denominated facilities:

- USD52,404,000 two-year secured term loan facilities
- USD61,968,000 three-year secured term loan facilities
- USD19,914,000 four-year secured term loan facilities

Hong Kong dollar ("HKD") denominated facilities:

- HKD294,000,000 three-year secured term loan facilities

As at 31 December 2019, the Group has fully drawn down its term loan facilities. In addition, the Group has revolving credit facilities of \$20,000,000 (2018: \$20,703,000), and has drawn down \$16,600,000 as at 31 December 2019 (2018: \$7,000,000).

Interest rate risk

The Trustee-Manager adopts a proactive interest rate management policy to manage the risk associated with changes in interest rates on the Group's loan facilities while also seeking to ensure that the ongoing cost of debt remains competitive.

As at 31 December 2019, the Group has interest rate swaps ("IRS") with notional contract amount of \$170,000,000 (2018: \$170,000,000). The Group pays a fixed rate interest and receives a variable rate equal to the Swap Offer Rate ("SOR") on the notional contract amount. The Group classifies the IRS as fair value hedges through statement of profit or loss to hedge the exposure in interest rate fluctuations on certain of its term loans.

The relevant term loans and the underlying IRS have the same terms and conditions.

The Trustee-Manager proactively seeks to minimise the level of interest rate risk by hedging certain amounts of the Group's borrowings at fixed rates. As at 31 December 2019, the Group has hedged approximately 24% (2018: 33%) of its borrowings at fixed rates. Excluding the RMB denominated loan, Onshore Facilities for Doumen Acquisition, Offshore Facilities for Doumen Acquisition and revolving credit facilities, which are not hedged, the Group has hedged approximately 40% (2018: 40%) of its borrowings at fixed rates.

Cash flow sensitivity analysis for variable rate instruments

Effects of a 100 basis point ("bp")* movement in interest rate at the reporting date would increase/(decrease) statement of profit or loss and Unitholders' funds by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2018.

* 100 basis point is equivalent to 1 percentage point

Notes to the Financial Statements

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (Cont'd)

Interest rate risk (Cont'd)

	Statements of profit or loss		Unitholders' funds	
	100 bp increase \$'000	100 bp decrease \$'000	100 bp increase \$'000	100 bp decrease \$'000
GROUP AND TRUST				
2019				
Interest rate swaps	1,695	(1,695)	–	–
Variable rate instruments	(7,162)	7,162	–	–
Cash flow sensitivity (net)	(5,467)	5,467	–	–
2018				
Interest rate swaps	1,705	(1,705)	–	–
Variable rate instruments	(5,100)	5,100	–	–
Cash flow sensitivity (net)	(3,395)	3,395	–	–

Foreign currency risk

The Group is exposed to foreign currency risk on cash holdings and operating expenses that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily the USD, RMB and HKD.

As the Trust intends to be a long-term investor in PRC, the Trustee-Manager has taken a view not to hedge the RMB equity exposure arising from its investments in PRC unless certain risks are specifically identified. The Trustee-Manager's strategy is to achieve a natural hedge through local RMB financing and any non-RMB denominated loan will be hedged into RMB where possible, to protect the going concern of the Trust in the event of large currency fluctuation. However, the Trustee-Manager will hedge the RMB cash flow from operations if it is determined with certainty that they are to be remitted back to Singapore for distribution purposes.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	USD \$'000	RMB \$'000	HKD \$'000	Total \$'000
GROUP				
2019				
Financial derivative assets	26	–	–	26
Cash and bank balances	3,911	91	2,146	6,148
Loans and borrowings	(180,575)	–	(50,757)	(231,332)
Financial derivative liabilities	(242)	–	–	(242)
Trade and other payables	(1,171)	(19)	(194)	(1,384)
	(178,051)	72	(48,805)	(226,784)
2018				
Cash and bank balances	3,888	70	–	3,958
Financial derivative assets	778	–	–	778
Loans and borrowings	(182,940)	–	–	(182,940)
Trade and other payables	(707)	–	–	(707)
	(178,981)	70	–	(178,911)

FINANCIALS & ADDITIONAL INFORMATION

Notes to the
Financial Statements

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (Cont'd)

Foreign currency risk (Cont'd)

	USD \$'000	RMB \$'000	HKD \$'000	Total \$'000
TRUST				
2019				
Loans to subsidiaries	166,969	–	–	166,969
Financial derivative assets	26	–	–	26
Cash and bank balances	3,854	3	2,146	6,003
Loans and borrowings	(180,575)	–	(50,757)	(231,332)
Financial derivative liabilities	(242)	–	–	(242)
Trade and other payables	(3,593)	(16,076)	(194)	(19,863)
	(13,561)	(16,073)	(48,805)	(78,439)
2018				
Loans to subsidiaries	169,156	–	–	169,156
Cash and bank balances	3,827	–	–	3,827
Financial derivative assets	778	–	–	778
Loans and borrowings	(182,940)	–	–	(182,940)
Trade and other payables	(707)	–	–	(707)
	(9,886)	–	–	(9,886)

Sensitivity analysis

A 10% strengthening of Singapore dollar against the USD, RMB and HKD at the reporting date would increase/(decrease) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2018.

	Statements of profit or loss	
	GROUP \$'000	TRUST \$'000
2019		
USD	17,805	1,356
RMB	(7)	1,607
HKD	4,881	4,881
2018		
USD	17,898	989
RMB	(7)	–

A 10% weakening of Singapore dollar against the USD, RMB and HKD would have had equal but opposite effect on the USD, RMB and HKD to the amounts shown above, on the basis that all other variables remain constant.

Notes to the Financial Statements

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

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.

There were no transfers between the levels during the year.

GROUP	Note	Carrying amount				Fair value			
		Financial assets at amortised cost \$'000	Derivative financial instruments \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2019									
Financial assets not measured at fair value									
Trade and other receivables	9	12,178	-	-	12,178	-	-	-	-
Cash and bank balances	11	115,691	-	-	115,691	-	-	-	-
		127,869	-	-	127,869				
Financial assets measured at fair value									
Financial derivative assets	8	-	26	-	26	-	26	-	26
Financial liabilities not measured at fair value									
Trade and other payables	14	-	-	21,072	21,072	-	-	-	-
Security deposits		-	-	15,822	15,822	-	-	-	-
Loans and borrowings	12	-	-	705,513	705,513	-	718,730	-	718,730
		-	-	742,407	742,407				
Financial liabilities measured at fair value									
Financial derivative liabilities	8	-	631	-	631	-	631	-	631

FINANCIALS & ADDITIONAL INFORMATION

Notes to the
Financial Statements

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

Accounting classifications and fair values (Cont'd)

GROUP	Note	Carrying amount				Fair value			
		Financial assets at amortised cost \$'000	Derivative financial instruments \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2018									
Financial assets not measured at fair value									
Trade and other receivables	9	6,096	-	-	6,096	-	-	-	-
Financial investments	10	23,750	-	-	23,750	-	-	-	-
Cash and bank balances	11	69,192	-	-	69,192	-	-	-	-
		99,038	-	-	99,038	-	-	-	-
Financial assets measured at fair value									
Financial derivative assets	8	-	1,020	-	1,020	-	1,020	-	1,020
Financial liabilities not measured at fair value									
Trade and other payables	14	-	-	11,152	11,152	-	-	-	-
Security deposits		-	-	13,592	13,592	-	-	-	-
Loans and borrowings	12	-	-	500,511	500,511	-	509,413	-	509,413
		-	-	525,255	525,255	-	-	-	-

Notes to the Financial Statements

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

Accounting classifications and fair values (Cont'd)

	Note	Carrying amount				Fair value			
		Financial assets at amortised cost \$'000	Derivative financial instruments \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
TRUST									
2019									
Financial assets not measured at fair value									
Trade and other receivables	9	239	-	-	239	-	-	-	-
Cash and bank balances	11	20,070	-	-	20,070	-	-	-	-
		20,309	-	-	20,309				
Financial assets measured at fair value									
Financial derivative assets	8	-	26	-	26	-	26	-	26
Financial liabilities not measured at fair value									
Trade and other payables	14	-	-	54,108	54,108	-	-	-	-
Loans and borrowings	12	-	-	537,306	537,306	-	546,277	-	546,277
		-	-	591,414	591,414				
Financial assets measured at fair value									
Financial derivative liabilities	8	-	631	-	631	-	631	-	631

FINANCIALS & ADDITIONAL INFORMATION

Notes to the
Financial Statements

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

Accounting classifications and fair values (Cont'd)

	Note	Carrying amount				Fair value			
		Financial assets at amortised cost \$'000	Derivative financial instruments \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
TRUST									
2018									
Financial assets not measured at fair value									
Trade and other receivables	9	219	-	-	219	-	-	-	-
Cash and bank balances	11	11,729	-	-	11,729	-	-	-	-
		11,948	-	-	11,948				
Financial assets measured at fair value									
Financial derivative assets	8	-	1,020	-	1,020	-	1,020	-	1,020
Financial liabilities not measured at fair value									
Trade and other payables	14	-	-	27,828	27,828	-	-	-	-
Loans and borrowings	12	-	-	424,307	424,307	-	431,144	-	431,144
		-	-	452,135	452,135				

Notes to the Financial Statements

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

Estimation of fair value

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Trust.

Financial derivatives

The fair values of non-deliverable interest rates are based on banks' quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the Group entity and counterparties when appropriate.

Interest-bearing borrowings

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities (including non-trade amounts due from subsidiaries, trade and other receivables, cash and bank balances, trade and other payables and current security deposits) are assumed to approximate their fair values because they are either short term in nature, or effect of discounting is immaterial. All other financial assets and liabilities are discounted to determine their fair values.

Interest rates used in determining fair values

The interest rates used to discount estimated cash flows, where applicable, are based on the Swap Offer Rate, London Interbank Offered Rate and Bank of China base interest rate as at 31 December 2019 and 2018 plus an adequate constant credit spread, and are as follows:

	2019 % p.a	2018 % p.a
Interest-bearing borrowings	2.74-3.93	3.06-4.40

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Trust's statements of financial position; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statement of financial position.

Financial instruments such as loans and receivables, financial assets at amortised cost and financial liabilities are not disclosed in the tables below unless they are offset in the statements of financial position.

The Trust's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association ("ISDA") Master Agreements. In certain circumstances, for example when a termination event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

Under the agreements signed, the Trust and its counterparties neither have a legal obligation nor intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously. In addition, the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in the agreements. Accordingly, the ISDA agreements do not meet the criteria for offsetting and the derivatives financial instruments presented below are not offset in the Statement of Financial Position.

FINANCIALS & ADDITIONAL INFORMATION

Notes to the
Financial Statements**31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)****Financial assets and liabilities subject to offsetting and enforceable master netting arrangement under termination events**

	Gross amounts of recognised financial instruments \$'000	Gross amount of recognised financial instruments offset in the statement of financial position \$'000	Net amounts of financial instruments presented in the statement of financial position \$'000	Related amounts not offset in the statement of financial position \$'000	Net amounts \$'000
2019					
Financial assets					
Interest rate swaps	26	–	26	(631)	(605)
Financial liabilities					
Interest rate swaps	(631)	–	(631)	26	(605)

2018

There are none for year 2018.

32. SIGNIFICANT EVENT DURING THE YEAR

On 13 November 2019, the Trust entered into a sale and purchase agreement with a director of the Trustee-Manager and the Sponsor to acquire 100% equity interest in Singapore Zhi Xin Commercial Holdings Pte. Ltd., which hold Shunde Metro Mall and Tanbei Metro Mall, for a share consideration of \$65,100,000, subject to post-completion adjustment. This was approved by Unitholders at an Extraordinary General Meeting held on 20 December 2019. As at the date of these financial statements, this transaction has yet to complete.

33. SUBSEQUENT EVENT

Since the beginning of year 2020, the Trustee-Manager recognised the challenges posed by the COVID-19 and the economic impact on the Group's operations in China and its financial position subsequent to the financial year-end. The Group will continuously monitor the developments of the situation, and work closely with the local authorities and the tenants in China to put in place measures to minimise impact to our business. As the situation is still evolving, the full effect of the outbreak is subject to uncertainty and could not be ascertained yet.

Statistics of Unitholdings

AS AT 20 MARCH 2020

Issued and Fully Paid-Up Units

648,628,301 units (Voting rights: one vote per unit)

This Trust does not hold any treasury Units and there is no subsidiary holdings.

Market Capitalisation S\$538.4 million (based on closing price of S\$0.83) as at 20 March 2020

TOP 20 UNITHOLDERS

As listed in the Register of Unitholders

	Name of Unitholder	No. of Units	% of Units in Issue
1	DBS NOMINEES (PRIVATE) LIMITED	398,875,397	61.50
2	RAFFLES NOMINEES (PTE.) LIMITED	85,065,100	13.11
3	PHILLIP SECURITIES PTE LTD	80,259,000	12.37
4	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	28,516,334	4.40
5	CITIBANK NOMINEES SINGAPORE PTE LTD	28,044,700	4.32
6	DASIN RETAIL TRUST MANAGEMENT PTE LTD	12,467,970	1.92
7	DB NOMINEES (SINGAPORE) PTE LTD	6,000,000	0.93
8	HSBC (SINGAPORE) NOMINEES PTE LTD	1,682,900	0.26
9	EAN KENG SI BUDDHIST TEMPLE	422,500	0.07
10	UOB KAY HIAN PRIVATE LIMITED	255,000	0.04
11	CHUA LEONG HAI @CHUA LEANG HAI	210,200	0.03
12	ABN AMRO CLEARING BANK N.V.	186,900	0.03
13	LEE ENG KHIAN	185,100	0.03
14	LEE YEW WING	150,000	0.02
15	JOSEPH ONG SENG HONG	146,000	0.02
16	RHB SECURITIES SINGAPORE PTE. LTD.	132,300	0.02
17	DEVINDER SINGH	120,000	0.02
18	WALDERSEE CHAN CHUNG CHING OR CHAN WU LEE YUN	116,000	0.02
19	MAYBANK KIM ENG SECURITIES PTE.LTD	110,800	0.02
20	LEE KER SHING	92,100	0.01
	Total	643,038,301	99.14

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 - 99	0	0.0	0	0.0
100 - 1,000	197	22.78	178,100	0.03
1,001 - 10,000	504	58.27	1,724,200	0.26
10,001 - 1,000,000	156	18.03	5,814,600	0.90
1,000,001 and Above	8	0.92	640,911,401	98.81
Grand Total	865	100	648,628,301	100

Pursuant to Listing Rule 723 of the Listing Manual of the SGX-ST, a listed issuer must ensure that at least 10% of its listed securities is at all times held by the public.

Based on the information made available to the Trustee-Manager as at 20 March 2020, approximately 17.35% of Dasin Retail Trust's units are held in public hands.

FINANCIALS & ADDITIONAL INFORMATION

Statistics of Unitholdings

AS AT 20 MARCH 2020

SUBSTANTIAL UNITHOLDERS AS AT 20 MARCH 2020

Name of Substantial Unitholder	Direct Interest	Deemed Interest
Mr. Zhang Zhencheng ⁽¹⁾	–	389,396,301
Aqua Wealth Holdings Limited	348,719,572	–
DBS Trustee Limited ⁽²⁾	–	348,719,572
Mr. Zhang Chon Meng ⁽³⁾	–	348,719,572
Mr. Zhang Guiming ⁽⁴⁾	–	348,719,572
Mr. Zhang Kunming ⁽⁵⁾	–	348,719,572
Mr. Zhang Shenming ⁽⁶⁾	–	348,719,572
Mdm. Liang Jinying ⁽⁷⁾	–	348,719,572
Bounty Way Investments Limited ⁽⁸⁾	28,208,759	–
China Orient Asset Management (International) Holding Limited	52,100,000	–
Wise Leader Assets Ltd. ⁽⁹⁾	–	52,100,000
Dong Yin Development (Holdings) Limited ⁽⁹⁾	–	52,100,000
China Orient Asset Management Co., Ltd ⁽⁹⁾	–	52,100,000
Glory Class Ventures Limited	49,700,900	–
Oceangroup International Investments Limited ⁽¹⁰⁾	–	49,700,900
Sino-Ocean Capital Holding Limited ⁽¹¹⁾	–	49,700,900
Fortune Joy Ventures Limited ⁽¹²⁾	–	49,700,900
Heroic Peace Limited ⁽¹³⁾	–	49,700,900
Sino-Ocean Land (Hong Kong) Limited ⁽¹⁴⁾	–	49,700,900
Faith Ocean International Limited ⁽¹⁵⁾	–	49,700,900
Shine Wind Development Limited ⁽¹⁶⁾	–	49,700,900
Sino-Ocean Group Holding Limited ⁽¹⁷⁾	–	49,700,900
Oriental Model Limited ⁽¹⁸⁾	–	49,700,900
Joyful Clever Limited ⁽¹⁹⁾	–	49,700,900
New Harvest Investment Limited ⁽²⁰⁾	–	49,700,900
Beijing Dehui Tou Zi Guan Li You Xian Gong Si (北京德晖投资管理有限公司) ⁽²¹⁾	–	49,700,900
Yuan Yang Tou Zi You Xian Gong Si (远颺投资有限公司) ⁽²²⁾	–	49,700,900
Yuan Yang Zi Ben You Xian Gong Si (远洋资本有限公司) ⁽²³⁾	–	49,700,900
Ning Bo Mei Shan Bao Shui Gang Qu Ao Shen Yi Yang Tou Zi You Xian Gong Si (宁波梅山保税港区奥莘亿洋投资有限公司) ⁽²⁴⁾	–	49,700,900
Ning Bo Mei Shan Bao Shui Gang Qu Sheng De Ming Wang Tou Zi You Xian Gong Si (宁波梅山保税港区盛德明旺投资有限公司) ⁽²⁵⁾	–	49,700,900
Team Bloom Investment Limited ⁽²⁶⁾	–	49,700,900
Oceanland Global Investment Limited ⁽²⁷⁾	–	49,700,900
Haitong International Securities Group Limited	40,634,100	–
Haitong International Holdings Limited ⁽²⁸⁾	–	40,634,100
Haitong Securities Co., Ltd. ⁽²⁸⁾	–	40,634,100

(1) DBS Trustee Limited holds the entire issued share capital of Aqua Wealth Holdings Limited ("Aqua Wealth") as the trustee of the Zhang Family Trust, of which Mr. Zhang Zhencheng is the settlor of the Zhang Family Trust and 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 are the beneficiaries. The power to make investment decisions on behalf of the Zhang Family Trust is conferred solely on an investment committee, of which Mr. Zhang Zhencheng is the sole member. Therefore, Mr. Zhang Zhencheng is deemed to be interested in the Units held by Aqua Wealth. Mr. Zhang Zhencheng holds 100.0% of the interests in Bounty Way Investments Limited ("Bounty Way"). Therefore, Mr. Zhang Zhencheng is deemed to be interested in the Units held by Bounty Way. In addition, Mr. Zhang Zhencheng holds 99.0% of the interests in the Trustee-Manager, which in turn holds 12,467,970 Units, representing approximately 1.92% of the total number of Units in issue as at 20 March 2020. Therefore, Mr. Zhang Zhencheng is deemed to be interested in the Units held by the Trustee-Manager.

(2) DBS Trustee Limited holds the entire issued share capital of Aqua Wealth as the trustee of the Zhang Family Trust. DBS Trustee Limited is therefore deemed to be interested in the Units held by Aqua Wealth.

(3) Mr. Zhang Chon Meng is a beneficiary of the Zhang Family Trust and is therefore deemed to be interested in the Units held by Aqua Wealth.

(4) Mr. Zhang Guiming is a beneficiary of the Zhang Family Trust and is therefore deemed to be interested in the Units held by Aqua Wealth.

(5) Mr. Zhang Kunming is a beneficiary of the Zhang Family Trust and is therefore deemed to be interested in the Units held by Aqua Wealth.

(6) Mr. Zhang Shenming is a beneficiary of the Zhang Family Trust and is therefore deemed to be interested in the Units held by Aqua Wealth.

(7) Mdm. Liang Jinying is a beneficiary of the Zhang Family Trust and is therefore deemed to be interested in the Units held by Aqua Wealth.

(8) Mr. Zhang Zhencheng holds 100.0% of the interests in Bounty Way. Therefore, Mr. Zhang Zhencheng is deemed to be interested in the Units held by Bounty Way.

Statistics of Unitholdings

AS AT 20 MARCH 2020

- (9) China Orient Asset Management Co., Ltd. ("COAMC") is a company incorporated in the PRC and is one of the state-owned asset management companies in the PRC. COAMC is the holding company of Dong Yin Development (Holdings) Limited ("Dong Yin"), a company incorporated in Hong Kong. Dong Yin is the indirect holding company of China Orient Asset Management (International) Holding Limited ("COAMI"), a company incorporated in Hong Kong, through its direct 50.0% shareholding and indirectly through its wholly-owned subsidiary Wise Leader Assets Ltd ("Wise Leader"), a company incorporated in the BVI. Each of COAMC, Dong Yin and Wise Leader are deemed to be interested in the Units held by COAMI.
- (10) Oceangroup International Investment Limited holds 100% of the shareholding in Team Bloom Investment Limited and is therefore deemed to be interested in the 49,700,900 units in Dasin (the "Relevant Units") held by Glory Glass Ventures Limited ("Glory Glass").
- (11) Sino-Ocean Capital Holding Limited holds 100% of the shareholding in Oceangroup International Investment Limited and 100% of the shareholding in Oriental Model Limited and is therefore deemed to be interested in the Relevant Units held by Glory Glass.
- (12) Fortune Joy Ventures Limited holds 100% of the shareholding in Sino-Ocean Capital Holding Limited and is therefore deemed to be interested in the Relevant Units held by Glory Glass.
- (13) Heroic Peace Limited holds approximately 49.00% of the shareholding in Fortune Joy Ventures Limited and is therefore deemed to be interested in the Relevant Units held by Glory Glass.
- (14) Sino-Ocean Land (Hong Kong) Limited holds 100% of the shareholding in Heroic Peace Limited and is therefore deemed to be interested in the Relevant Units held by Glory Glass.
- (15) Faith Ocean International Limited holds 100% of the shareholding in Sino-Ocean Land (Hong Kong) Limited and is therefore deemed to be interested in the Relevant Units held by Glory Glass.
- (16) Shine Wind Development Limited holds 100% of the shareholding in Faith Ocean International Limited and is therefore deemed to be interested in the Relevant Units held by Glory Glass.
- (17) Sino-Ocean Group Holding Limited holds 100% of the shareholding in Shine Wind Development Limited and is therefore deemed to be interested in the Relevant Units held by Glory Glass.
- (18) Oriental Model Limited holds approximately 70.00% of the shareholding in Oceanland Global Investment Limited is therefore deemed to be interested in the Relevant Units held by Glory Glass.
- (19) Joyful Clever Limited holds approximately 30.00% of the shareholding in Oceanland Global Investment Limited is therefore deemed to be interested in the Relevant Units held by Glory Glass.
- (20) New Harvest Investment Limited holds 100% of the shareholding in Joyful Clever Limited and is therefore deemed to be interested in the Relevant Units held by Glory Glass.
- (21) 北京德晖投资管理有限公司 holds 100% of the shareholding in New Harvest Investment Limited and is therefore deemed to be interested in the Relevant Units held by Glory Glass.
- (22) 远颺投资有限公司 holds 100% of the shareholding in 北京德晖投资管理有限公司 and is therefore deemed to be interested in the Relevant Units held by Glory Glass.
- (23) 远洋资本有限公司 holds 100% of the shareholding in 远颺投资有限公司 and is therefore deemed to be interested in the Relevant Units held by Glory Glass.
- (24) 宁波梅山保税港区奥莘亿洋投资有限公司 holds 100% of the shareholding in 远洋资本有限公司 and is therefore deemed to be interested in the Relevant Units held by Glory Glass.
- (25) 宁波梅山保税港区盛德明旺投资有限公司 holds 100% of the shareholding in 宁波梅山保税港区奥莘亿洋投资有限公司 and is therefore deemed to be interested in the Relevant Units held by Glory Glass.
- (26) Team Bloom Investment Limited holds 100% of the shareholding in 宁波梅山保税港区盛德明旺投资有限公司 and is therefore deemed to be interested in the Relevant Units held by Glory Glass.
- (27) Oceanland Global Investment Limited holds 100% of the shareholding in Glory Glass and is therefore deemed to be interested in the Relevant Units held by Glory Glass.
- (28) Haitong International Securities Group Limited is deemed to be interested in (a) the 13,002,100 Dasin Retail Trust's Units held by its indirect wholly-owned subsidiary, Haitong International Financial Products (Singapore) Pte. Ltd., and (b) the 27,632,000 Dasin Retail Trust's Units held by its direct wholly-owned subsidiary, Haitong International Asset Management (HK) Pte. Ltd.. Haitong International Securities Group Limited is a subsidiary of Haitong International Holdings Limited ("HIHL"). HIHL is a wholly-owned subsidiary of Haitong Securities Co., Ltd. ("HSCL"). HSCL and HIHL are deemed to be interested in the Dasin Retail Trust's Units.

UNITHOLDINGS OF THE DIRECTORS OF THE TRUSTEE-MANAGER AS AT 21 JANUARY 2020

	Direct Interest	Deemed Interest
Mr. Zhang Zhencheng ⁽¹⁾	–	387,802,628
Mr. Zhang Zhongming ⁽²⁾	–	3,966,200
Dr. Cao Yong	–	–
Mr. Sun Shu	–	–
Mr. Tan Huay Lim ⁽³⁾	–	312,500

(1) Mr. Zhang Zhencheng owns 99% of the equity interest of Dasin Retail Trust Management Pte. Ltd. ("DRTM") directly, and is accordingly deemed to be interested in the Units of Dasin Retail Trust held by DRTM. DBS Trustee Limited holds the entire issued share capital of Aqua Wealth Holdings Limited as the trustee of the Zhang Family Trust, of which Mr. Zhang Zhencheng is the settlor, and 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 are the beneficiaries. The power to make investment decisions on behalf of the Zhang Family Trust is conferred solely on an investment committee, of which Mr. Zhang Zhencheng is the sole member. Therefore, Mr. Zhang Zhencheng is deemed to be interested in the Units of Dasin Retail Trust held by Aqua Wealth Holdings Limited. Mr. Zhang Zhencheng owns 100% of the equity interest in Bounty Way Investments Limited ("Bounty Way"). Therefore, Mr. Zhang Zhencheng is deemed to be interested in Bounty Way's direct interest in Dasin Retail Trust.

(2) Mr. Zhang Zhongming is deemed to be interested in Units of Dasin Retail Trust held by a family trust, where his spouse has the power to make investment decision.

(3) Mr. Tan Huay Lim is deemed to be interested in the 312,500 units in the Trust held by a nominee company.

FINANCIALS & ADDITIONAL INFORMATION

Additional Information

A. INTERESTED PERSON TRANSACTIONS

The aggregate value of transactions entered into with interested persons for the financial year ended 31 December 2019, which fall under the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST") (excluding transactions of less than \$100,000 each) are as follows:

Name of Interested Persons	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions of less than \$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) \$'000	Aggregate value of all interested person transactions during the financial year under review under Unitholders' mandate pursuant to Rule 920 (excluding transactions of less than \$100,000) \$'000
Dasin Retail Trust Management Pte. Ltd.	The Trustee-Manager of the Trust		
– Trustee-Manager's trustee fee ⁽¹⁾⁽²⁾		339	N.A.
– Trustee-Manager's base management fee ⁽¹⁾⁽²⁾		4,239	N.A.
– Trustee-Manager's acquisition fee in relations to acquisition of Doumen Metro Mall		1,686	N.A.
Zhongshan Dasin Real Estate Co., Ltd (the Sponsor) and its subsidiaries or associates	The Sponsor of the Trust		
– Commercial management fee ⁽²⁾			
– management fee		732	N.A.
– reimbursement of expenses ⁽⁴⁾		1,872	N.A.
– Property management fee ⁽³⁾			
– management fee		732	N.A.
– reimbursement of expenses ⁽⁴⁾		4,986	N.A.
– Other income ⁽⁵⁾		1,400	N.A.
– Commercial management and property management agreement ⁽⁶⁾		18,710	N.A.
Zhongshan Dasin Management and Investment Co., Ltd and its subsidiaries	Company controlled by associates or Mr. Zhang Zhencheng		
– Lease rental income agreements ⁽⁶⁾		11,166	N.A.
– Reimbursable income		1,273	N.A.
Zhongshan Jianmei Household Co., Ltd.	Company controlled by Mr. Zhang Zhongming		
– Reimbursable income		321	N.A.
Mr. Zhang Kunming	One of the beneficiaries of Zhang Family Trust		
– Lease of office premises ⁽⁶⁾		113	N.A.

Additional Information

Name of Interested Persons	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions of less than \$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) \$'000	Aggregate value of all interested person transactions during the financial year under review under Unitholders' mandate pursuant to Rule 920 (excluding transactions of less than \$100,000) \$'000
Aqua Wealth Holdings Limited	Indirect wholly-owned subsidiary of Zhang Family Trust		
– Subscription of units of the Trust		10,000	N.A.
Mr. Zhang Zhengcheng	Chairman and Non-Executive director of the Trustee-Manager, has 99% equity interest in the Trustee-Manager, and is the settlor of Zhang Family Trust		
– Acquisition of subsidiaries which holds Doumen Metro Mall		61,300	N.A.

N.A. = Not applicable

- (1) For the purposes of Rule 907 of the Listing Manual of the SGX-ST, in arriving at this figure, the market price of the Units (based on the volume weighted average traded price for all trades done on the Singapore Exchange Securities Trading Limited (the "SGX-ST") in the ordinary course of trading for the last ten business days immediately preceding and including the last day of each quarter end, being the latest business day of each the financial quarter) issued to the Trustee-Manager for its management fees and trustee fees, was used to determine the amount of the aggregate asset management fees and trustee fees paid to the Trustee-Manager for the year from 1 January 2019 to 31 December 2019.
- (2) The entry into and fees and charges payable by DRT to the Trustee-Manager under the Trust Deed, and to the Commercial Manager under the Commercial Management Agreements, each of which constitutes or will, when entered into, constitute an Interested Person Transaction, are deemed to have been specifically approved by the Unitholders upon purchase for the Units and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will affect DRT. However, any renewal of the agreements will be subject to Rules 905 and 906 of the Listing Manual.
- (3) The Property Manager, Zhongshan Jixin Property Management Co., Ltd., Shiqi Branch became an associated company of the Sponsor of the Trust on 8 July 2018 when the Sponsor acquired an effective equity interest of 33% of the Property Manager.
- (4) For the purpose of the disclosure, the reimbursement of expenses at cost related to expenses paid by the interested persons on behalf of the Trust during the financial year.
- (5) For the purpose of the disclosure, the other income are transactions during the financial year.
- (6) For the purpose of the disclosure, the full contract sum was used where an interested person transaction had a fixed term and contract value, while the annual amount incurred and accrued was used where an interested person transaction had an indefinite term or where the contract sum was not specified.

Save as disclosed above, there were no additional interested person transactions (excluding transactions of less than \$100,000 each) or other material transactions entered into during the financial year under review.

The above interested person transactions were carried out on normal commercial terms and were not prejudicial to the interests of the Trust and its minority unitholders.

Please also see Related Party Transactions in Note 27 of the financial statements.

Subscription of DRT Units

Dasin Retail Trust issued Units totaling 5,015,332 Units during the year and 1,593,673 Units subsequent to 31 December 2019, as consideration in satisfaction for the payment of the Trustee-Manager's base management fee and trustee fee for the financial year ended 31 December 2019 and the fourth quarter ended 31 December 2018 (which were accrued for as at 31 December 2018). In addition, 2,016,443 Units were issued by the Trust to the Trustee-Manager as an acquisition fee and 11,961,800 Units were issued as placement Units to Aqua Wealth Holdings Limited in relation to acquisition of Doumen Metro Mall during the year.

FINANCIALS & ADDITIONAL INFORMATION

Additional Information

B. USE OF PRIVATE PLACEMENT PROCEEDS

On 11 September 2019, the Trust issued 82,354,000 new Units from a private placement at an issue price of \$0.836 per unit (the "Private Placement") and raised gross proceeds of approximately \$68.8 million. Total gross proceeds have been used in the following manner:

Use of Proceeds	Announced use of proceeds \$ million	Actual use of proceeds \$ million	Balance of proceeds \$ million
To fund the purchase consideration payable to the vendor in connection with the Doumen Acquisition	–	–	–
To pay part of the estimated fees and expenses in connection with the Doumen Acquisition and the Private Placement	2.5	2.5	–
To repay part of the existing indebtedness of Jia Xin Investments Pte. Ltd.	39.1	39.1	–
To discharge certain indebtedness of Zhuhai Xinmingyang Investments Co., Ltd.	22.0	21.4	0.6
General working capital purposes of the Trust	5.2	5.2	–
Total	68.8	68.2	0.6

The use of proceeds from the Private Placement set out above is in accordance with the stated use and in accordance with the percentage of the gross proceeds of the Private Placement to such use as set out in the announcement dated 19 September 2019.

The breakdown on the use of the proceeds allocated for general working capital is as follows:

Uses of general working capital	Actual use of proceeds \$ million
Deposits into interest reserve accounts	2.1
Facility and security agent fees and loan related transaction costs	2.3
Loan interest	0.8
	5.2

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