



DASIN RETAIL TRUST  
大信商用信托

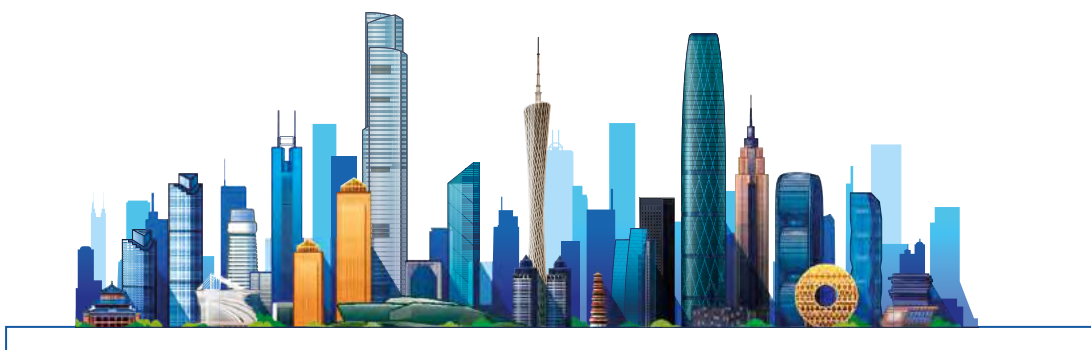
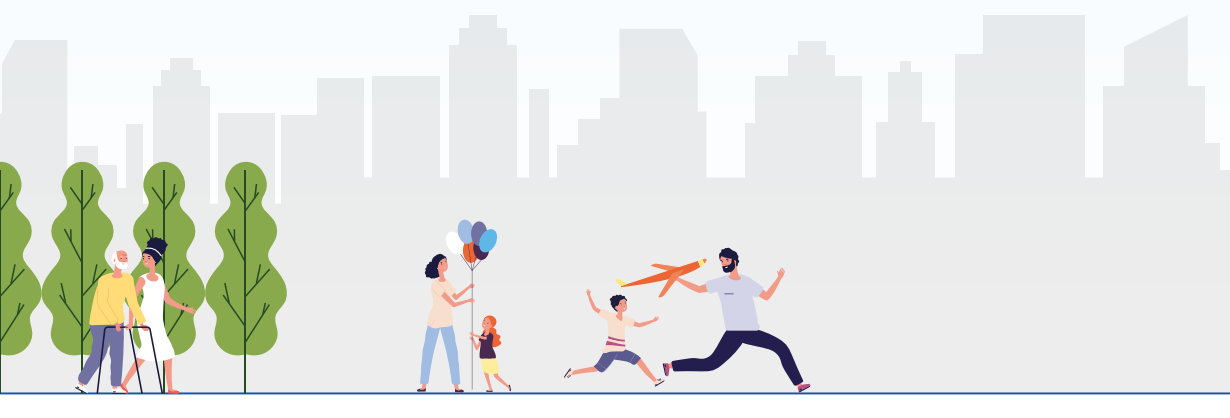


# ADVANCING IN GREATER RESILIENCE

Dasin Retail Trust Annual Report 2020

# ADVANCING IN GREATER RESILIENCE

2020 was a year marked by exceptional challenges and unprecedented change. While the COVID-19 pandemic kept us on the alert throughout the year, it did not deter us from our strategic focus on delivering sustainable value to our unitholders. In particular, we successfully navigated through various challenges in the second half of 2020 to complete our acquisition of Shunde Metro Mall and Tanbei Metro Mall. With an enhanced portfolio of quality assets in one of the fastest-growing economic regions in the world today, the Guangdong-Hong Kong-Macau Greater Bay Area, we are better-positioned than before to continue creating sustainable value for our stakeholders.

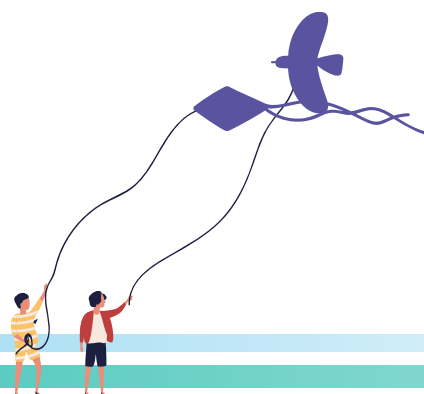


## ONLINE ANNUAL REPORT

A PDF version of the annual report is available for download from [www.dasintrust.com](http://www.dasintrust.com)

### Note:

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



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### Corporate Profile

Listed on the Mainboard of Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 January 2017, Dasin Retail Trust ("DRT" or 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 the People's Republic of China ("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 2020, the Trust's portfolio comprises seven retail malls located in Zhongshan, Zhuhai and Foshan cities in Guangdong, PRC, valued at approximately RMB1.6 billion (\$2.3 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.

# PORTFOLIO HIGHLIGHTS

## REINFORCING VALUE

Dasin Retail Trust's healthy and resilient investment portfolio comprises seven retail malls with well-diversified tenant mix and offerings located in Zhongshan, Zhuhai and Foshan Cities within the Greater Bay Area.

➤ Read more on **pages 30 to 43**

### SHIQI METRO MALL

Zhongshan City



Gross Floor Area (sqm) **119,682**

Occupancy Rate **96.7%**

Gross Revenue FY2020 **\$S\$21.1M**

### XIAOLAN METRO MALL

Zhongshan City



Gross Floor Area (sqm) **108,690**

Occupancy Rate **97.2%**

Gross Revenue FY2020 **\$S\$23.6M**

### DASIN E-COLOUR

Zhongshan City



Gross Floor Area (sqm) **25,857**

Occupancy Rate **86.0%**

Gross Revenue FY2020 **\$S\$2.5M**

### DOUMEN METRO MALL

Zhuhai City



Gross Floor Area (sqm) **168,269**

Occupancy Rate **97.9%**

Gross Revenue FY2020 **\$S\$17.5M**

### SHUNDE METRO MALL

Foshan City



Gross Floor Area (sqm) **177,276**

Occupancy Rate **95.8%**

Gross Revenue<sup>(1)</sup> FY2020 **\$S\$9.9M**

**Note:**

<sup>(1)</sup> Shunde Metro Mall and Tanbei Metro Mall were acquired on 8 July 2020.



### OCEAN METRO MALL

Zhongshan City



Gross Floor Area (sqm) **180,338**

Occupancy Rate **96.7%**

Gross Revenue FY2020 **\$S\$12.1M**

### TANBEI METRO MALL

Zhongshan City



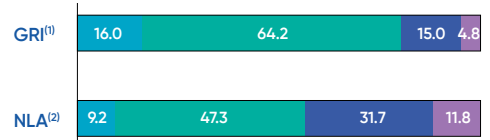
Gross Floor Area (sqm) **13,905**

Occupancy Rate **96.3%**

Gross Revenue<sup>(1)</sup> FY2020 **\$S\$0.7M**

## INTRINSIC ORGANIC GROWTH

LEASE STRUCTURE (%)



Read more on **page 27**

**Notes:**

- <sup>(1)</sup> Based on Gross Rental Income ("GRI") in December 2020.
- <sup>(2)</sup> Based on NLA as at 31 December 2020.

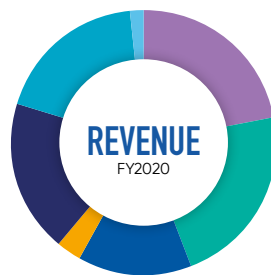
## CONTINUING INNOVATIVE STRATEGIES



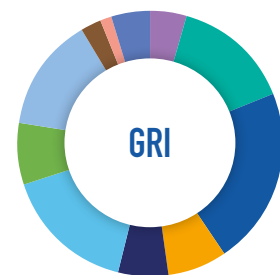
Read more on **page 07**

## WELL-DIVERSIFIED PORTFOLIO

EXISTING PORTFOLIO (%) <sup>(1)</sup>



TRADE SECTOR (%) <sup>(2)</sup>



1. Shiqi Metro Mall	21.9
2. Xialan Metro Mall	22.3
3. Ocean Metro Mall	14.0
4. Dasin E-Colour	3.0
5. Doumen Metro Mall	18.7
6. Shunde Metro Mall	18.6
7. Tanbei Metro Mall	1.5

1. Supermarket/Hypermarket	4.7
2. Department Store	14.4
3. F&B/Food Court	21.5
4. Home Furnishings	7.4
5. Leisure & Entertainment	6.1
6. Fashion	15.9
7. IT & Electronics	7.5
8. General Retail	14.1
9. Services	2.3
10. Sports & Fitness	1.6
11. Others	4.5

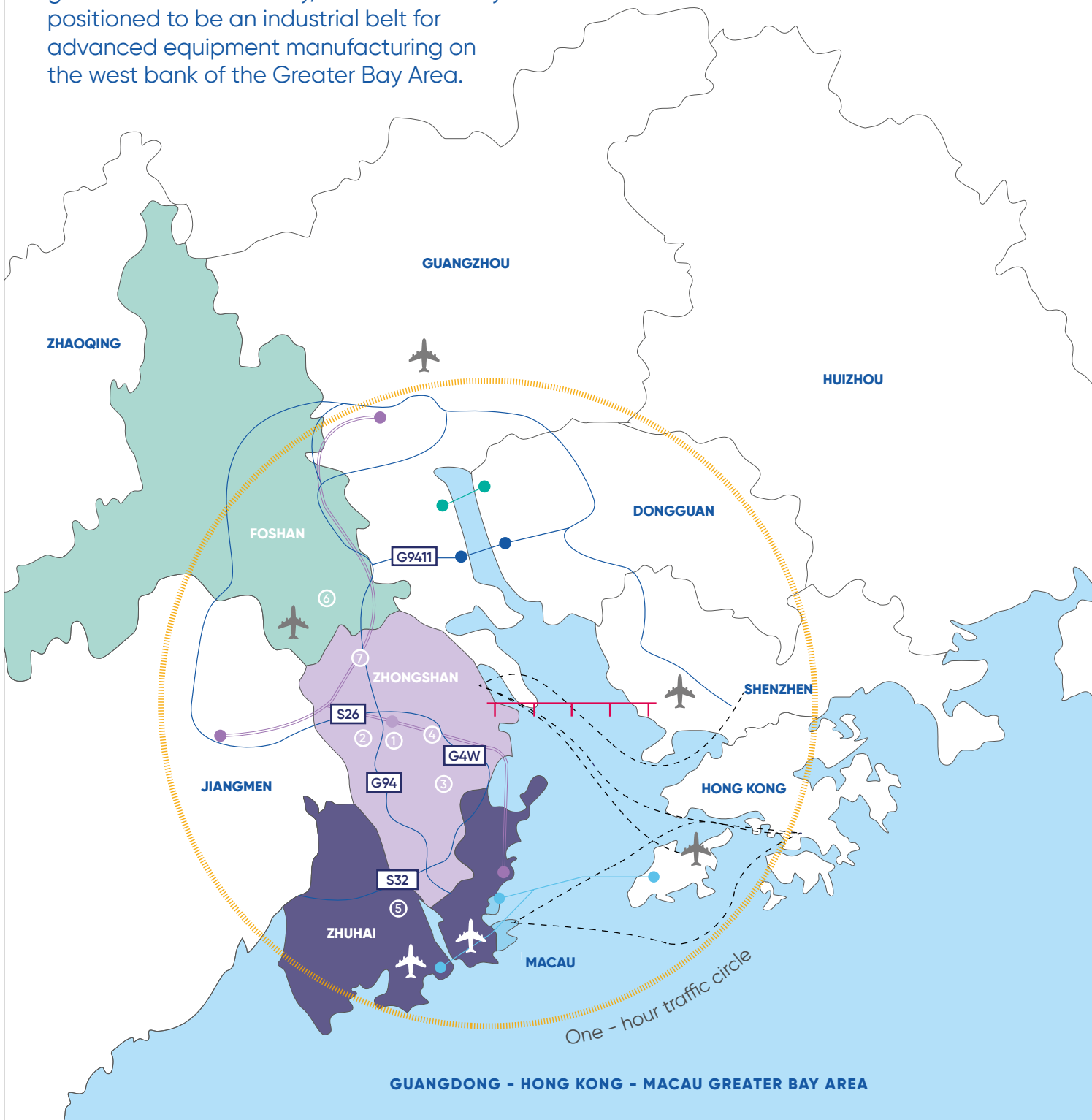
**Notes:**

- <sup>(1)</sup> Based on revenue in RMB in December 2020, excluding rental income recognised on a straight line basis over the lease term.
- <sup>(2)</sup> Based on GRI in December 2020.

# CORE MARKETS

## MAP

According to the provincial government's 2017-2030 plan, as the central city within the area, Zhongshan is positioned to become a high-end equipment manufacturing industry as well as a regional technology and biomedical research and development centre. Zhuhai city is slated to become a world-class centre of leisure and tourism and general aviation industry, while Foshan city is positioned to be an industrial belt for advanced equipment manufacturing on the west bank of the Greater Bay Area.



1. SHIQI METRO MALL



2. XIAOLAN METRO MALL



3. OCEAN METRO MALL



4. DASIN E-COLOUR



5. DOUMEN METRO MALL



6. SHUNDE METRO MALL



7. TANBEI 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 Shenzhen-Luoding Expressway

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 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.

According to the provincial government’s 2017-2030 plan, as the central city within the Greater Bay Area, Zhongshan is positioned to become a high-end equipment manufacturing industry as well as a regional technology and biomedical research and development centre. Zhuhai city is slated to become a world-class centre of leisure and tourism and general aviation industry, while Foshan city is positioned to be an industrial belt for advanced equipment manufacturing on the west bank of the Greater Bay Area.

These 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, which was completed in 2018, and the Shenzhen-Zhongshan Bridge, which is expected to be completed by 2024.

In addition, the National Development and Reform Commission approved the Greater Bay Area’s intercity railway construction plan in August 2020, which is to build 13 intercity railways and 5 hub projects with a total mileage of about 775 kilometres. With these, the “one-hour traffic circle” will be realised in the Greater Bay Area, which will inevitably promote the integration of urban agglomerations in the area. With these, the core markets of Dasin Retail Trust will undoubtedly introduce unparalleled market momentum and growth opportunities.

# COVID-19 MEASURES AND OUTCOMES

**Dasin Retail Trust was quick to take precautionary measures to protect shoppers of its malls, and prevent the spread of COVID-19 within its properties' premises.**

**JAN 26**  
**SHORTENED OPERATING HOURS OF ITS FIVE RETAIL MALLS** except that of essential service providers; closure of cinemas, KTVs, ice skating rings, bookstores and other crowded places

**FEB 24**  
 Shiqi Metro Mall, Xiaolan Metro Mall, Dasin E-Colour and Doumen Metro Mall **RESUMED NORMAL OPERATING HOURS**



## MEASURES TAKEN BY DASIN RETAIL TRUST ("DRT") >>

DEC 2019	JAN 2020	FEB
<p><b>DEC 31</b>                      EMERGENCE OF UNUSUAL PNEUMONIA in Wuhan, Hubei</p>	<p><b>JAN 20</b>                      HUMAN-TO-HUMAN transmission confirmed</p>	<p><b>JAN 30</b>                      Declaration of GLOBAL EMERGENCY BY WHO</p>
		<p><b>PROPERTY AND LAND TAXES EXEMPTIONS AND REBATES</b></p>
		<p><b>FEB 2</b>                      Announcement of CHINA'S ECONOMIC STIMULUS PACKAGE</p>
		<p><b>FEB 11</b>                      OFFICIAL NAMING of coronavirus as "COVID-19"</p>

**MAR 2**  
Ocean Metro Mall  
**REVERTED TO NORMAL OPERATING HOURS**

**MAR 9**  
DRT Trustee-Manager started granting **RENTAL REBATES** on case-by-case basis; worked with others on promotional activities

**MAY 15**  
**RE-OPENING** of KTVs at DRT's malls



**JUL 23**  
**RE-OPENING** of cinemas in DRT's malls



**MARKETING INITIATIVES TO BOOST CONSUMER TRAFFIC**

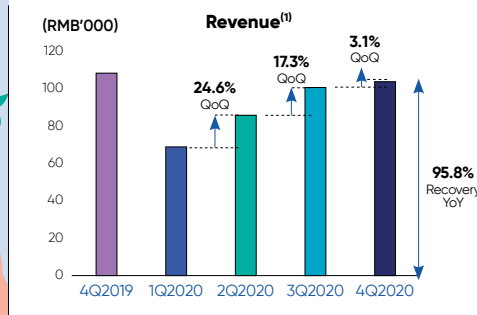
**MAR 1**  
**LIVE STREAMING** from malls to drive tenants' sales through "Dasin Hui" (大信荟) WeChat Mini Program which has more than 1 million members

Organised **LIVE BROADCASTS** hosted by online influencers to promote products available at DRT's malls



**OUTCOME!**

**REVENUE RECOVERY (%)**



**4Q2020 REVENUE** excluding the new acquisitions **RECOVERED TO 95.8% OF 4Q2019** on a like-for-like basis<sup>(1)</sup>

<sup>(1)</sup> Based on revenue in RMB excluding rental income recognised on a straight-line basis over the lease term.



MAR

APR

MAY

JUN

JUL

DEC

EMPLOYER SOCIAL SECURITY CONTRIBUTIONS EXEMPTED

PARTIAL RELIEF FOR ELECTRICITY BILLS

50% REDUCTION IN EMPLOYER MEDICAL INSURANCE

DOMESTIC CONSUMPTION CAMPAIGNS



**CHINESE GOVERNMENT'S COVID-19 SUPPORT INITIATIVES**

- Property and land taxes exemptions and rebates from January to December 2020<sup>(2)</sup>
- 50% reduction of employer medical insurance contributions between 1 February and 30 June 2020
- Exemption from employer social security contributions up till end of December 2020
- Relief for electricity bills (settled at 95%) from 1 February to 31 December 2020
- Month-long domestic consumption campaign starting 1 April by Foshan city; distributed RMB100 million of consumer vouchers
- Similar campaign in same period by Zhongshan city; distributed RMB30 million of general, business and e-commerce coupons
- Domestic consumption campaign in 20 April to 31 May by Zhuhai city; distributed RMB100 million of consumer vouchers

<sup>(2)</sup> Dasin Retail Trust's four shopping malls in Zhongshan city were exempted from property and land taxes from 1 Feb to 31 Mar 2020. Ocean Metro Mall was entitled to a 40% rebate on property tax in Jan 2020 as well as from Apr to Dec 2020, while Tanbei Metro Mall's 40% rebate entitlement on property tax was from July to Dec 2020.







# STANDING STRONGER WITH QUALITY ACQUISITIONS

The acquisition of Shunde Metro Mall and Tanbei Metro Mall marked a significant milestone for Dasin Retail Trust. It is our second acquisition within a short span of three years from our listing on SGX-ST. The addition of these two quality assets has led to the valuation of our asset portfolio being increased by nearly three times. Today, Dasin Retail Trust stands stronger and more resilient than before as we continue to advance towards our long-term strategic objectives.




## Shunde Metro Mall



	Gross Floor Area (sqm)	<b>177,276</b>
	Agreed Property Value	<b>\$S\$364.3M</b>
	WALE (By NLA)	<b>7.7 YEARS</b>
	Notable Tenants FY2020	<b>AEON, JY CINEMA, HAILILAO HOT POT, STARBUCKS, HAAGEN DAZS, PIZZA HUT AND KFC</b>

## Tanbei Metro Mall



	Gross Floor Area (sqm)	<b>13,905</b>
	Agreed Property Value	<b>\$S\$10.7M</b>
	WALE (By NLA)	<b>6.1 YEARS</b>
	Notable Tenants FY2020	<b>SHINWA SUPERMARKET, XIN XUAN RESTAURANT</b>





**2**  
NEWLY ACQUIRED  
PROPERTIES IN  
ZHONGSHAN AND  
FOSHAN



**7**  
PROPERTIES IN  
GREATER BAY AREA





# LETTER TO UNITHOLDERS



Shunde Metro Mall

## 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 2020 (FY2020).

2020 was a year marked by exceptional challenges and unprecedented change. While the COVID-19 pandemic kept us on the alert throughout the year, it did not detract us from our strategic focus on delivering sustainable value to our unitholders. In particular, we successfully navigated through various challenges to complete our acquisition of Shunde Metro Mall and Tanbei Metro Mall in July 2020. With an enhanced portfolio of quality assets in one of the fastest-growing economic regions in the world today, the Greater Bay Area, we are better-positioned than before to continue creating sustainable value for our stakeholders.

The acquisition of Shunde Metro Mall and Tanbei Metro Mall marked a significant milestone for Dasin Retail Trust. It is our second acquisition within a short span of three years from our listing on SGX-ST. The addition of these two quality retail malls has led to an increase in the valuation of our asset portfolio by nearly three times since our IPO in 2017. Today, Dasin Retail

Trust stands stronger and more resilient than before as we continue to advance towards our long-term strategic objectives.

Over the years, Dasin Retail Trust has been making good progress in building a resilient and future-ready portfolio with a number of strategic moves. From asset rejuvenation to portfolio balancing to prudent financial and capital management, the completion of each move resulted in the strengthening of our business resilience and improvement of our earnings potential. Our maiden acquisition of Doumen Metro Mall in 2019 marked our expansion into the thriving city of Zhuhai. Through Shunde Metro Mall, we are now able to tap into growth opportunities in Foshan City.

## PROACTIVE ASSET MANAGEMENT AMIDST COVID-19

The start of 2020 was met with the unexpected outbreak of COVID-19, which has impacted the global economy. Many countries adopted various precautionary measures to contain the spread of the virus, which include nationwide lockdowns and strict travel restrictions. Our five retail malls<sup>(1)</sup> shortened operating hours in the months during which the outbreak was most severe. Only essential services such as supermarkets, pharmacies, and certain

## RECAP FY2020

### A summary of the progress and events in 2020

We successfully navigated through various challenges to complete our acquisition of Shunde Metro Mall and Tanbei Metro Mall in July 2020.

With an enhanced portfolio of quality assets in one of the fastest-growing economic regions in the world today, the Greater Bay Area, we are better-positioned than before to continue creating sustainable value for our stakeholders.

▶ Read more on **page 08**

<sup>(1)</sup> Shiqi Metro Mall, Xiaolan Metro Mall, Ocean Metro Mall, Dasin E-Colour and Doumen Metro Mall.

F&B outlets were allowed to operate. Presently, all retail malls and trade sectors have resumed normal operations and shoppers have returned to the malls as the government eased its COVID-19 lockdown measures since March 2020.

During the period, we have also leveraged on online platforms to mitigate the decline in shopper traffic. We organised live streaming from our malls to drive tenants' sales and through "Dasin Hui WeChat Mini Programme". We helped our tenants to reach out to more than 1,000,000 members of our Programme and hosted more than 100 live broadcasts to help to increase their sales. These initiatives proved to be fruitful. They not only helped our tenants to tide over the difficult period, it resulted in the partial recovery in turnover rent and revenue.

We believe that the impact of the outbreak on China's retail sector is likely to be short-term rather than long-term. Over the past few years, the retail industry in China has been growing strongly with a double-digit growth rate. While uncertainties from COVID-19 remains, consumer sentiment has slowly restored as China's retail sales recorded its first positive growth the first time in 2020 in August. While we remain optimistic on the recovery, we will continue to monitor the situation closely.

Superior City Department Store's ("Superior City") lease at Ocean Metro Mall was terminated following a mutual agreement by both parties on 8 November 2020. Given that Zhongshan Dasin Metro-Mall Merchant Investment Co., Ltd. has undertaken a one-year lease agreement at a similar rental rate, as such, we do not expect there to be a material financial impact to the financial year ending 31 December 2021.

The termination of Superior City lease agreement is part of the Trust's proactive asset management strategy to further enhance the competitiveness of the mall and improve shopper experience. We are evaluating various asset enhancement initiatives which include refurbishment and re-letting.

DRT's portfolio continued to demonstrate resilience, ending the year with a stable occupancy rate of 96.5% and registered weighted lease to expiry of 3.8 years (by gross rental income) and 6.1 years (by net lettable area) which will support income stability. The long WALE of DRT will support long-term stable and recurring income.

In addition, the Asset Enhancement Initiative ("AEI") at Ocean Metro Mall which was initially delayed due to the outbreak of COVID-19 has been completed in 4Q2020. Approximately 9,085 sqm of furniture and finishing space at the mall has been reconfigured into a children's education area, which brought a positive rental reversion of about 46.0%.

15

Properties  
Number of Right  
of First Refusal  
("ROFR")



96.5%

Portfolio  
Occupancy



2

Newly acquired  
properties in  
Zhongshan  
and Foshan



**In December 2020, DRT was conferred the "Best Returns to Shareholders" award under the REITs and Business Trusts category at the Centurion Club 2020 Corporate Awards presented by The Edge Singapore.**

## FINANCIAL PERFORMANCE

Revenue for FY2020 was impacted by lower rental income due to COVID-19 and rental rebates provided to tenants. However, FY2020 revenue was higher year-on-year due mainly to contribution from Doumen Metro Mall which was acquired on 12 September 2019 as well as contribution from Shunde Metro Mall and Tanbei Metro Mall which were acquired on 8 July 2020. Despite COVID-19 impact, DRT's 2H2020 revenue<sup>(2)</sup> increased 26.7% year-on-year mainly due to contribution from the newly acquired Shunde Metro Mall and Tanbei Metro Mall.

NPI margin for FY2020 was higher at approximately 80% as compared to about 79% for FY2019. This was largely due to lower electricity charges, lower advertising and promotion expenses, lower repair and maintenance expenses and property tax rebates provided by the local government owing to the government support for businesses in response to COVID-19.

<sup>(2)</sup> Based on revenue in RMB excluding rental income recognised on a straight-line basis over the lease term.



# LETTER TO UNITHOLDERS

On the capital management front, The Trustee-Manager is in active negotiations with the banks to successfully complete the extension of the loan relating to the initial portfolio and Shiqi Metro Mall due on 18 July 2021. DRT's aggregate leverage stood at 37.8% as at 31 December 2020. The Trustee-Manager will remain vigilant and adhere to its prudent and disciplined approach in managing its balance sheet.

## DISCIPLINED INVESTMENT MANAGEMENT

In shaping a resilient and future-ready portfolio with the acquisitions of Shunde Metro Mall and Tanbei Metro Mall, we have concurrently expanded our presence in the fast-developing Greater Bay Area. Our asset portfolio now comprises seven retail malls strategically located in the thriving cities of Foshan, Zhuhai and Zhongshan. Collectively, the properties' well-balanced tenant mix further underpins the portfolio's strength. Going forward, we will

continue to leverage the strong support of our Sponsor, Zhongshan Dasin Real Estate. With its extensive Right of First Refusal ("ROFR") pipeline spanning across the area, we are well-positioned with a steady growth momentum. As at 31 December 2020, we have a total of 15 ROFR properties located in the core of the Greater Bay Area from the Sponsor.

## SUSTAINABILITY REPORTING

Sustainability remains at the core of Dasin Retail Trust's long-term business strategy. The Trustee-Manager is committed to best practices in environmental, social and governance ("ESG") to create a sustainable future as an integral part of its business operations. Our fourth sustainability report, on pages 84 to 99 of this annual report, is prepared in accordance with the Global Reporting Initiative Standards (Core Option).

## LOOKING AHEAD

China's economy grew 2.3% year-on-year in 2020, making it the only major economy in the world to avoid a

contraction last year<sup>(3)</sup>. National urban disposable income for 2020 increased 3.5% while expenditure per capita dropped 3.8% and national retail sales decreased 3.9% year-on-year<sup>(4)</sup>.

In 2020, amidst the backdrop of the COVID-19, Zhongshan's GDP grew 1.5% year-on-year while retail sales contracted 13.0%<sup>(5)</sup>. Over the same period, Zhuhai city's GDP increased 3.0% while retail sales decreased 7.5% year-on-year<sup>(6)</sup>. Foshan's GDP grew 1.6% while retail sales reduced by 10.8% year-on-year<sup>(7)</sup>. Despite COVID-19 impact, DRT's 4Q2020 revenue<sup>(8)</sup> excluding the new acquisitions has recovered to 95.8% of 4Q2019 on a like-for-like basis.

In 2020, the Chinese central government unveiled 26 specific measures to support the development of the Greater Bay Area. The transformation of Greater Bay Area was also one of the main topics discussed in the recent Two Sessions<sup>(9)</sup>.



Shunde Metro Mall

<sup>(3)</sup> "China becomes only major economy to avoid COVID-19 recession in 2020", The Straits Times, 18 January 2021.

<sup>(4)</sup> National Bureau of Statistics of China.

<sup>(5)</sup> Zhongshan Municipal Bureau of Statistics.

<sup>(6)</sup> Statistics Bureau of Zhuhai.

<sup>(7)</sup> Statistics Bureau of Foshan.

<sup>(8)</sup> Based on revenue in RMB excluding rental income recognised on a straight-line basis over the lease term.





Doumen Metro Mall

At the 40th anniversary celebration of Shenzhen becoming China's first ever special economic zone, a new blueprint for the further development of the Greater Bay Area was unveiled. It aligned closely with the central government's plans for the region. Some of the initiatives include encouraging the young in Hong Kong and Macau to move to the Greater Bay Area, and turning Hong Kong, Macau, Shenzhen and eight other Guangdong cities into a technology and finance powerhouse rivalling California's Silicon Valley by 2035<sup>(9)</sup>. This signifies the importance of the development of the Greater Bay Area to the Chinese Government, and its commitment to make it a success. An increasingly thriving Greater Bay Area will promote regional economic development as well as encourage population and tourism growth.

At the same time, the new bourses taking shape in Guangzhou and Macau could see the Greater

Bay Area becoming Asia's largest financial market. The population for the Greater Bay Area is forecast to grow by 43% over the next 15 years to around 100 million<sup>(11)</sup>. The continued growth in population and income levels provides a strong foundation to support property prices in the longer term. Collectively, this would augur well for DRT as all of our assets are strategically located in the area.

Given the current situation, our main priority is to continue to optimise our resources allocation and work closely with our tenants to ride through the near-term challenges. In the longer term, our strategic priority remains unchanged which is to continue to deliver stable, and sustainable returns to unitholders.

Looking ahead, we are confident that we will be able to navigate through the challenges and capture growth

opportunities with our record of steady performance management, prudent risk management, quality asset portfolio and strong management expertise.

### AWARD

We are proud that DRT's efforts to deliver steady performance have been recognised by the industry. In December 2020, DRT was conferred the "Best Returns to Shareholders" award under the REITs and Business Trusts category at the Centurion Club 2020 Corporate Awards presented by The Edge Singapore. This award is presented to the REIT or Business Trust with the highest returns to shareholders over the past three years, a testament to the management's continuous commitment and effort to maximise shareholders' value and return. DRT delivered a total return of 30.9% over a three-year period from 2017 to 2019<sup>(12)</sup>.

### IN APPRECIATION

We take this opportunity to thank our fellow Board members for their leadership and guidance over the years. Our gratitude goes out to DRT's dedicated management and staff for their dedication and service. We also thank our Unitholders, tenants, shoppers and business partners for their unwavering confidence and support as we continue to build on DRT's portfolio of quality retail malls to capture and deliver value.

#### Zhang Zhencheng

Chairman

#### Wang Qiu

Chief Executive Officer

<sup>(9)</sup> "China boosts financial support for Greater Bay Area", Xinhuanet, 14 May 2020.

<sup>(10)</sup> "President Xi calls on more Hongkongers to live and study in mainland China", South China Morning Post, 16 October 2020.

<sup>(11)</sup> Exchanges take shape in Macau, Guangzhou to turbocharge southern China's Greater Bay into Asia's largest financial market, South China Morning Post, 27 June 2020.

<sup>(12)</sup> Total return is computed based on total distribution since IPO and closing price of \$0.835 as at 31 December 2019, assuming the Unitholder holds his Unit since IPO.

# 致信托单位持有者



大信·新都汇顺德店

## 致信托单位持有者

我们谨代表大信商用信托管理有限公司董事会，非常高兴在此呈报截止2020年12月31日财政年(2020财政年)的大信商用信托年报。

2020年是不平凡和异常艰难的一年。尽管我们在全年中一直深受新冠病毒的影响，但是这并没有改变我们为信托单位持有者提供可持续价值的战略目标。特别是，我们成功地突破层层困难，于2020年7月顺利收购大信·新都汇顺德店和大信·新都汇坦背店。基于我们在世界经济增长最快的区域之一的大湾区中所拥有的强化优质资产组合，我们比以前更有能力为利益相关者创造可持续的价值。

大信·新都汇顺德店和大信·新都汇坦背店的收购对大信商用信托而言是一个重要的里程碑。这是我们在新加坡证券交易所上市后短短三年内完成的第二轮收购。完成这两处高品质零售商城的收购，使我们资产组合价值与2017年首次公开募股时相比提高了近三倍。现在，随着我们长期战略目标的不断推进，与以往相比，大信商用信托的地位和适应性均有所提升。

多年以来，通过多个战略性行动，大信商用信托在构建具有高度适应性和灵活性的资产组合方面实现了长远的发展。从资产升级到资产组合再平衡，再到审慎的财务和资产管理，各项战略性行动的实施不仅强化我们的企业适应性，也提高了我们的盈利潜力。2019年对大信·新都汇斗门店的开创性收购，标志着我们成功迈入欣欣向荣的珠海市。得益于成功收购大信·新都汇顺德店，现在我们能够挖掘佛山市的增长机遇。

### 新冠病毒背景下的前瞻性资产管理

2020年伊始新冠病毒的意外爆发，对全球经济产生了重大的影响。为抑制病毒的蔓延，许多国家都采取了各种预防措施，包括全国封锁和严格出行限制。在病毒蔓延最为严重的数月内，我们的五处零售商城<sup>(1)</sup>的营业时间均大幅缩短，只有诸如超市、药店和特定餐饮终端之类的基础性服务才允许继续营业。近来，由于政府放松了其自2020年3月起为应对新冠病毒而实施的封闭措施，所有零售商场和贸易行业均已恢复正常经营，并且，购物者开始重返商场。

## 2020财年回顾

### 2020年进展和事件的摘要

我们成功地突破层层困难，于2020年7月顺利收购大信·新都汇顺德店和大信·新都汇坦背店。

基于我们在世界经济增长最快的区域之一的大湾区中所拥有的强化优质资产组合，我们比以前更有能力为利益相关者创造可持续的价值。

▶ 详情，请见第08页

<sup>(1)</sup> 大信·新都汇石岐店、大信·新都汇小榄店、大信·新都汇远洋店、大信溢彩荟和大信·新都汇斗门店。

在此期间，为应对客流下滑情况，我们对线上平台做出了调整。为提升租户销售额，通过微信小程序“大信荟”，在购物中心现场进行实时互动交流以推动商户销售。我们帮助租户接触了超过1,000,000个会员。为提升我们租户的销售额，我们举行了超过100场直播。这不仅帮助我们的租户渡过了艰难时期，也使营业额、租金和收入得以部分恢复。

我们认为，新冠病毒对于中国零售行业的影响很有可能是短期而非长期的。过去数年中，中国零售行业一直在以两位数的增长率强势增长。尽管新冠疫情的不确定性仍然存在，但随着中国消费品零售总额在2020年8月首次取得正增长，消费者的情绪已经慢慢恢复。在我们对经济复苏保持乐观的同时，我们将继续密切关注局势。

大信·新都汇远洋店优越城百货(“优越城”)租约经双方商定于2020年11月8日终止。中山市大信新都汇商业投资有限公司以相似的租金承接一年的租赁。因此，我们预计这不会对截止2021年12月31日的财政年产生重大财务影响。

优越城租赁协议的终止，是信托进一步提升商城竞争力和优化购物者体验的前瞻性资产管理战略的一部分。我们正在对包括翻新和再出租在内的资产的强化举措加以评估。

大信商用信托资产组合继续展现坚韧的适应性，年末通过取得96.5%的稳定出租率以及3.8年(按总租金收入计)和6.1年(按净可出租面积计)的加权平均租赁期对未来收入的长期稳定奠定了基础。

此外，之前因疫情爆发而被推迟的远洋店升级改造，现已于2020年第四季度完成。原家具和装饰空间已重新配置为约9,085平方米的儿童教育区，带来了约46.0%的租金增长率。

### 财务绩效

由于受到新冠疫情和向租户提供租金减免的影响，对2020财政年的租金收入有一定的影响。然而，2020财政年收入同比有所增长，这主要归功于2019年9月12日收购的斗门店以及于2020年7月8日收购的顺德店和坦背店的贡献。亦因如此，尽管有新冠疫情的影响，大信商用信托2020年下半年的收入<sup>(2)</sup>仍同比大幅增长26.7%。

2020财政年的净物业收入率约为80%，较2019财政年的净物业收入率约为79%略高。这主要是由于较低的电费、广告和促销费用、维修和维护费用导致运营支出降低以及地方政府对新冠疫情的支持所返还的房产税。

## “2020年12月，The Edge Singapore举行的百夫长俱乐部2020年企业奖评选活动中，大信商用信托被授予房地产投资信托与商业信托类“最佳股东回报”奖。”

在资本管理方面，与初始投资组合和石岐店有关的贷款将于2021年7月18日到期，信托管理公司正在与银行积极磋商，以顺利完成该笔贷款的延期。截止2020年12月31日大信商用信托的总杠杆率为37.8%。在资产负债管理方面，信托管理公司仍将会保持警觉，并坚持审慎严格的管理方式。

**15项**  
优先购买权项目



**96.5%**  
投资组合出租率



**2**  
位于中山和佛山的新收购项目



<sup>(2)</sup> 基于人民币总收入，不包括租金直线调整。



# 致信托单位持有者

## 严格投资管理

通过收购大信·新都汇顺德店和大信·新都汇坦背店，我们构建了具有灵活性和可靠性的资产组合，同时，也扩大了我们在快速发展的大湾区的业务。我们的资产组合，由位于中山、珠海和佛山市的七处位置优越的零售商城组成。未来，我们将继续得到发起人中山市大信置业的强有力支持。基于其在区域中拥有的众多优先购买权物业，我们拥有极佳的稳定增长前景。截止2020年12月31日，我们通过发起人在大湾区核心区域中总计拥有15处优先购买权物业。

## 可持续性报告

可持续性仍是大信商用信托长期企业发展战略的核心。信托管理公司一直致力于执行最佳环境、社会和治理规程，将其作为企业经营的一部分，从而创造一个具有可持续性的未来。我们的第四份可持续性报告(详见本报告的第84至99页)，是按照《全球报告倡议标准(核心选项)》编制的。

## 前景

中国经济在2020年的年同比增长率为2.3%，使其成为去年全世界唯一一个经济未衰退的主要经济体<sup>(3)</sup>。2020年全国城镇居民人均可支配收入增长3.5%，支出和全国零售额分别同比下降3.8%和3.9%<sup>(4)</sup>。

2020年，在新冠疫情的影响下，中山市的GDP同比增长1.5%，零售额下降13.0%<sup>(5)</sup>。同期，珠海市GDP同比增长3.0%，零售额同比下降7.5%<sup>(6)</sup>。佛山市的GDP增长1.6%，零售额同比下降10.8%<sup>(7)</sup>。尽管有新冠疫情的影响，在相同基准下，大信商用信托2020年第四季度不包含新收购项目收入<sup>(8)</sup>仍恢复至2019年第四季度的95.8%。

2020年，中国中央政府发布了旨在支持大湾区发展的26项特别措施。大湾区的改革亦是近来两会的主要议题之一<sup>(9)</sup>。

恰逢深圳市作为中国第一个经济特区成立40周年之际，关于大湾区进一步发展的新蓝图露出神秘面纱。这与中央政府对该地区开发计划密切相关。其中的某些举措包括，鼓励香港和澳门年轻人迁往大湾区；2035年之前，将香港、澳门、深圳和广东省的其他八个城市变成一个类似于加利福尼亚州硅谷的科技金融中心<sup>(10)</sup>。这可以显示出大湾区的发展对中国政府的重要性，以及中国政府致力于大湾区建设的决心。一个日益繁荣的大湾区，不仅会促进地区经济发展，亦将会对人口和旅游增长起到激励作用。

与此同时，足以改变广州和澳门未来的期货交易所和证券交易所，将会成为大湾区发展成为亚洲最大金融市场的见证。未来15年，大湾区的人口预计增加43%，达到约1亿<sup>(11)</sup>。长期考虑，人口的持续增长和收入水平的持续提高会为物业价格奠定坚实的基础。



大信·新都汇顺德店

<sup>(3)</sup> “中国成为唯一避免2020年新冠疫情衰退的主要经济体”，《海峡时报》，2021年1月18日。

<sup>(4)</sup> 中国国家统计局。

<sup>(5)</sup> 中山市统计局。

<sup>(6)</sup> 珠海市统计局。

<sup>(7)</sup> 佛山市统计局。

<sup>(8)</sup> 基于人民币总收入，不包括租金直线调整。

<sup>(9)</sup> “中国为大湾区发展投入大量财力”，新华网，2020年5月14日。

<sup>(10)</sup> “习主席号召更多香港年轻人前往中国大陆学习和生活”，《南华早报》，2020年10月16日。

<sup>(11)</sup> 广州和澳门的交易所将推动中国南部的大湾区成为亚洲最大的金融市场”，《南华早报》，2020年6月27日。



总之，无论对于大信商用信托以及我们的位于该区域中的所有战略性资产来说，这均是利好的。

鉴于当前形势，我们的首要任务是继续优化我们的资源部署，并与我们的租户密切合作，渡过近期的各种挑战。从长远来看，我们致力于为单位持有者提供具有可持续的稳定回报的战略优先目标仍未改变。

展望未来，我们坚信，凭借我们稳定的绩效管理、审慎的风险管理、优质的资产组合以及强大的管理专业知识，我们将有能力迎接挑战并抓住增长机遇。

### 荣誉奖项

大信商用信托在实现稳定的绩效方面所做出的努力得到了业界的认可，我们对此深感自豪。2020年12月，The Edge Singapore 举行的百夫长俱乐部2020年企业奖评选活动中，大信商用信托被授予房地产投资信托与商业信托类“最佳股东回报”奖。此奖项是办法给在过去三年中对股东回报最高的房地产投资信托或商业信托，它证明了管理层在股东价值和回报最大化方面的持续承诺和努力。在2017年到2019年的三年期间，大信商用信托所实现的总回报率为30.9%<sup>(12)</sup>。

### 致谢

我们藉此机会就董事会成员多年以来的卓越领导表示诚挚谢意。我们亦对大信商用信托专业管理团队和工作人员的奉献及服务表示感谢。我们还要感谢我们的单位持有者、租户、购物者和商业合作伙伴，正是他们对我们坚定不移的支持，才使得我们能够继续在优质零售商场组成的投资物业组合的基础上，获取和实现价值。

**张镇成**

主席

**王秋**

首席执行官

<sup>(12)</sup> 总回报率是在假设单位持有者自首次公开募股时起开始持有股份单位的情况下，按照自首次公开募股时起来的总分配率以及截止2019年12月31日0.835新加坡元的收盘价格而计算的。



# EXPANDING PRESENCE IN FAST-GROWING GREATER BAY AREA

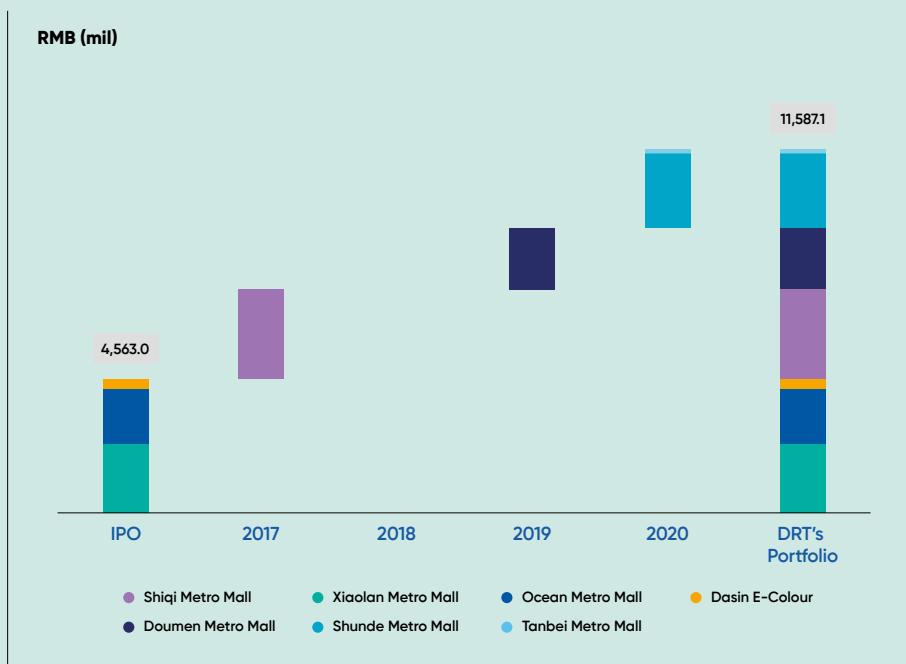
In shaping a resilient and future-ready portfolio with the acquisitions of Shunde Metro Mall and Tanbei Metro Mall, we have concurrently expanded our presence in the fast-developing Greater Bay Area. Our asset portfolio now comprises seven retail malls strategically located in the thriving cities of Zhongshan, Zhuhai and Foshan. Collectively, the properties' well-balanced tenant mix further underpins the portfolio's resilience.



Growing economic development, affluence, population and tourism



FY2020 PORTFOLIO VALUATION CHART







GFA:  
**794,017**  
SQM



**96.5%**  
OCCUPANCY RATE  
AS AT END-DEC 2020





# FINANCIAL REVIEW

## GROSS REVENUE

Revenue for FY2020 was impacted by lower rental income due to COVID-19 and rental rebates provided to tenants. However, FY2020 revenue was higher year-on-year by approximately S\$11.5 million or 15% mainly due to full year contribution by Doumen Metro Mall which was acquired in September 2019 as well as approximately six months contribution by the newly acquired Shunde Metro Mall and Tanbei Metro Mall, which were acquired in July 2020. Doumen Metro Mall contributed approximately S\$11.3 million higher in FY2020 than FY2019 and the newly acquired Shunde Metro Mall and Tanbei Metro Mall contributed approximately S\$9.9 million and S\$0.7 million in FY2020 respectively. This was partially offset by lower rental income from Shiqi Metro Mall, Ocean Metro Mall, Xiaolan Metro Mall and Dasin E-Colour of approximately S\$4.2 million, S\$3.6 million, S\$1.9 million and S\$0.8 million respectively.

	FY2020 (RMB'M)	FY2019 (RMB'M)	% Change	FY2020 (S\$'M)	FY2019 (S\$'M)	% Change
Shiqi Metro Mall	105.6	128.1	(18)	21.1	25.3	(17)
Xiaolan Metro Mall	118.0	129.1	(9)	23.6	25.5	(7)
Ocean Metro Mall	60.8	79.6	(24)	12.1	15.7	(23)
Dasin E-Colour	12.3	16.3	(25)	2.5	3.2	(22)
Doumen Metro Mall <sup>(1)</sup>	87.7	31.4	N.M.	17.5	6.3	N.M.
Shunde Metro Mall <sup>(2)</sup>	49.5	–	N.M.	9.9	–	N.M.
Tanbei Metro Mall <sup>(2)</sup>	3.7	–	N.M.	0.8	–	N.M.
<b>Portfolio</b>	<b>437.6</b>	<b>384.5</b>	<b>14</b>	<b>87.5</b>	<b>76.0</b>	<b>15</b>

## NET PROPERTY INCOME

The NPI margin of the Group was approximately 80% for FY2020 compared to approximately 79% for FY2019. Higher NPI margin was due mainly to lower operating expenses resulted from lower electricity charges, lower advertising and promotion expenses, lower repair and maintenance expenses and property tax rebates provided by the local government owing to the government support for businesses in response to COVID-19. This was partially offset by higher allowance made for impairment loss on receivables in accordance with IFRS 9 *Financial Instruments*.

	FY2020 (RMB'M)	FY2019 (RMB'M)	% Change	FY2020 (S\$'M)	FY2019 (S\$'M)	% Change
Shiqi Metro Mall	88.5	102.9	(14)	17.7	20.3	(13)
Xiaolan Metro Mall	102.2	107.7	(5)	20.4	21.3	(4)
Ocean Metro Mall	42.5	57.5	(26)	8.5	11.4	(25)
Dasin E-Colour	8.1	11.9	(32)	1.6	2.3	(30)
Doumen Metro Mall <sup>(1)</sup>	66.9	23.5	N.M.	13.4	4.7	N.M.
Shunde Metro Mall <sup>(2)</sup>	39.2	–	N.M.	7.8	–	N.M.
Tanbei Metro Mall <sup>(2)</sup>	3.0	–	N.M.	0.6	–	N.M.
<b>Portfolio</b>	<b>350.4</b>	<b>303.5</b>	<b>15</b>	<b>70.0</b>	<b>60.0</b>	<b>17</b>

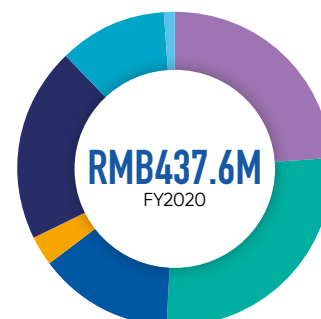
### Notes:

N.M. = Not Meaningful

<sup>(1)</sup> Doumen Metro Mall was acquired by the Trust on 12 September 2019. FY2019 of Doumen Metro Mall refers to the period from 13 September 2019 to 31 December 2019.

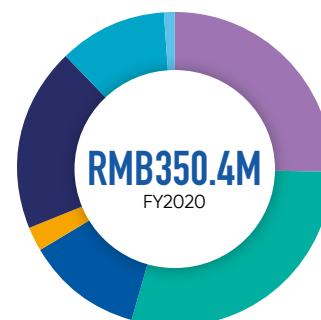
<sup>(2)</sup> Shunde Metro Mall and Tanbei Metro Mall were acquired by the Trust on 8 July 2020. FY2020 of Shunde Metro Mall and Tanbei Metro Mall refers to the period from 9 July 2020 to 31 December 2020.

## GROSS REVENUE CONTRIBUTION (%)



1. Shiqi Metro Mall	24.1	●
2. Xiaolan Metro Mall	27.0	●
3. Ocean Metro Mall	13.9	●
4. Dasin E-Colour	2.8	●
5. Doumen Metro Mall <sup>(1)</sup>	20.0	●
6. Shunde Metro Mall <sup>(2)</sup>	11.3	●
7. Tanbei Metro Mall <sup>(2)</sup>	0.9	●

## NPI CONTRIBUTION (%)



1. Shiqi Metro Mall	25.3	●
2. Xiaolan Metro Mall	29.2	●
3. Ocean Metro Mall	12.1	●
4. Dasin E-Colour	2.3	●
5. Doumen Metro Mall <sup>(1)</sup>	19.1	●
6. Shunde Metro Mall <sup>(2)</sup>	11.1	●
7. Tanbei Metro Mall <sup>(2)</sup>	0.9	●

## DISTRIBUTION

Total distribution per unit ("DPU") for the financial year ended 31 December 2020 was 3.94 cents, lower than FY2019 DPU of 6.82 cents by approximately 42.2%. The DPU translated to a yield of 4.93% (based on offering price of S\$0.80) and 5.02% (based on the closing price of S\$0.785 as at 31 December 2020).

	FY2020	FY2019	% Change
<b>Distribution per Unit (cents):</b>			
- With Distribution Waiver	3.94	6.82	(42.2)
<b>Annualised distribution yield (%)</b>			
- Based on Offering price of S\$0.80:			
- With Distribution Waiver	4.93	8.53	(42.2)
- Based on closing price of S\$0.785 at 31 December 2020 and S\$0.835 as at 31 December 2019:			
- With Distribution Waiver	5.02	8.17	(38.6)

The distribution waiver arrangement of the Trust will end after the books closure date for distributions in respect of the distribution period up to and including 31 December 2021.

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 of the Group were valued at 31 December 2020 by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL"), using the Discounted Cash Flows ("DCF") and Income Capitalisation methods as follows:

	As at 31 December 2020 (RMB'M)	As at 31 December 2019 (RMB'M)	As at 31 December 2020 (S\$'M)	As at 31 December 2019 (S\$'M)
Shiqi Metro Mall	2,864	2,994	580	577
Xiaolan Metro Mall	2,149	2,274	435	439
Ocean Metro Mall	1,705	1,805	345	349
Dasin E-Colour	282	309	57	60
Doumen Metro Mall	2,015	2,100	408	406
Shunde Metro Mall	2,498	-	506	-
Tanbei Metro Mall	74	-	15	-
<b>Total</b>	<b>11,587</b>	<b>9,482</b>	<b>2,346</b>	<b>1,831</b>

Increase in investment properties was mainly due to the acquisition of Shunde Metro Mall and Tanbei Metro Mall on 8 July 2020 and net movement in foreign currencies due to strengthening of RMB against SGD as the investment properties are RMB-denominated assets, and partially offset by net change in fair value. The increase is partially offset by decrease in valuation of the investment properties for Shiqi Metro Mall, Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour.

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

# FINANCIAL REVIEW

## CAPITAL MANAGEMENT

As at 31 December 2020, the Group has three onshore syndicated term loans of RMB386.0 million (S\$78.1 million), RMB492.5 million (S\$99.7 million) and RMB476.8 million (S\$96.5 million) (collectively "Onshore Facilities"), and three offshore syndicated term loan of a S\$242.0 million and US\$134.3 million (S\$177.5 million) equivalent to S\$419.5 million in aggregate, a S\$54.9 million and HK\$294.0 million (S\$50.1 million) equivalent to S\$105.0 million in aggregate and a S\$87.0 million and US\$34.0 million (S\$44.9 million) equivalent to S\$131.9 million in aggregate (collectively "Offshore Facilities").

The Onshore Facilities are secured by legal mortgage over the Initial Portfolio, Shiqi Metro Mall, Doumen Metro Mall, Shunde Metro Mall and Tanbei Metro Mall and a pledge over the sales proceeds, rental income and receivables derived from these properties. The Onshore Facilities are a 4.5-year term loan facility, a 10-year term loan facility, and a 5-year term loan facility respectively.

The Offshore Facilities 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.

On 8 July 2020, the Trust announced the completion of the acquisition of 100% equity interest of Singapore Zhi Xin Commercial Holdings Pte. Ltd. which holds Shunde Metro Mall and Tanbei Metro Mall. The acquisition was approved by unitholders at the EGM held on 20 December 2019. To finance the acquisition, the Group drew down a RMB478.0 million onshore syndicated term loan and a S\$87.0 million and US\$34.0 million equivalent to S\$131.9 million in aggregate offshore syndicated term loan in July 2020, and substantially utilised the S\$94.0 million of the gross proceeds raised from the issuance of 120,512,000 Units via private placement on 6 July 2020. This is in accordance with the stated use and allocation of the proceeds from the announcement and as disclosed on page 191 of this Annual Report.

During 2020, the Group repaid totalling RMB10.2 million each of the onshore facilities in accordance with the facility agreements.

In addition to the above facilities, the Group has secured a revolving credit facility ("RCF") of up to RMB100 million (approximately S\$20.4 million) for financing the general working capital of the Group. The Group has drawdown a total of S\$16.6 million as at 31 December 2019 and this amount has been repaid in full in March 2020. The Group has drawdown a total amount of S\$18.0 million as at 31 December 2020. This credit facility is secured by the restricted cash of the subsidiary in China.

As at 31 December 2020, the Group does not have any investment in other property funds and other material investments.

### KEY FINANCIAL INDICATORS

as at 31 December 2020

Gearing <sup>(1)</sup>	37.8%
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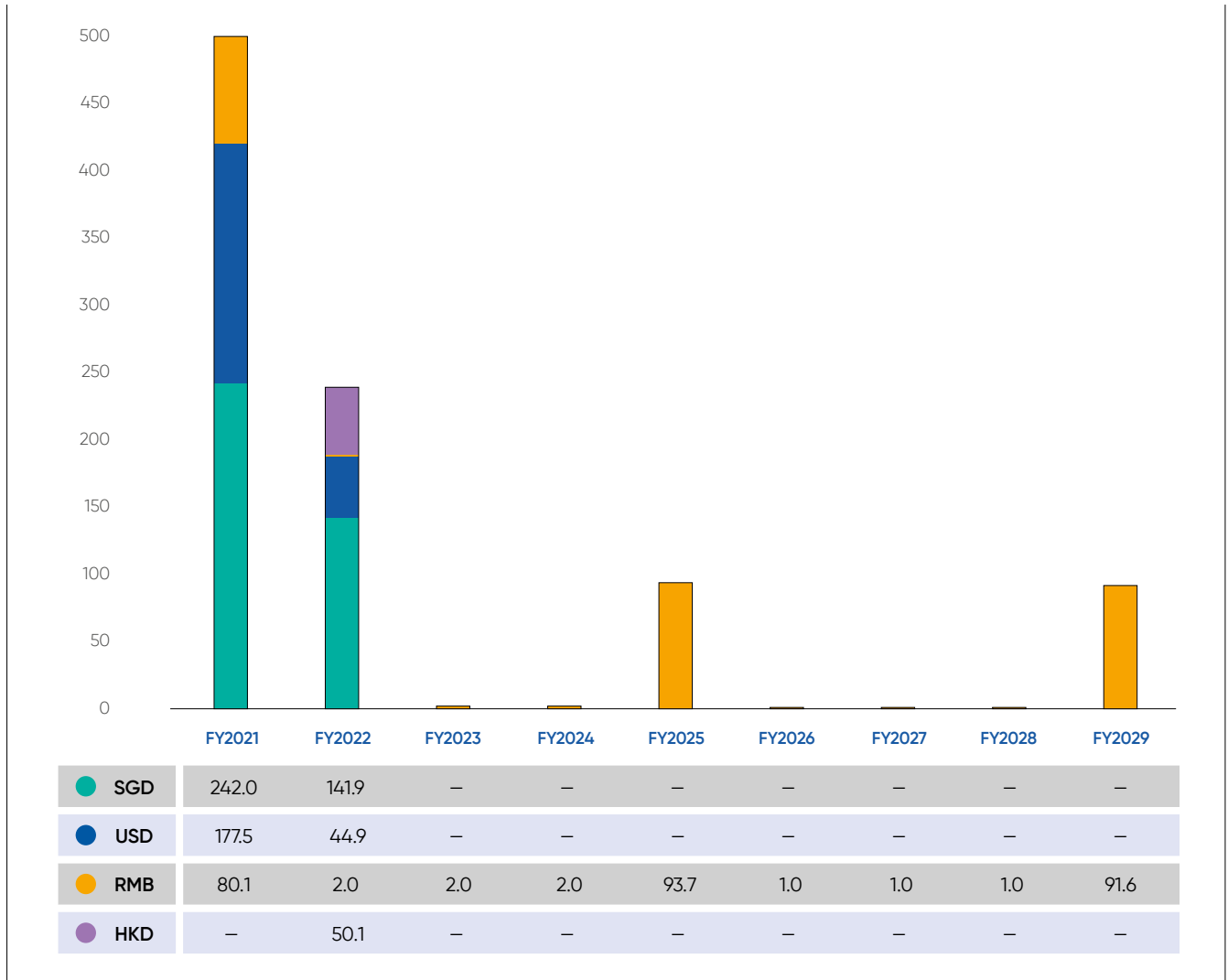
### WEIGHTED AVERAGE TERM TO MATURITY (YEARS)

Onshore	4.7
Offshore <sup>(2)</sup>	0.9

<sup>(1)</sup> Gearing was computed based on total gross borrowings of S\$948,788,000 divided by total assets of S\$2,509,289,000 as at 31 December 2020.

<sup>(2)</sup> On 20 January 2021, the Trustee-Manager entered into a supplemental agreement in respect of the Offshore Facilities, pursuant to which the tenure of the Offshore Facilities has been extended by six months to July 2021 the "Extension". The Extension effectively lengthens the average term-to-maturity of the Offshore Facilities from 0.6 years to 0.9 years.



**DEBT MATURITY PROFILE (S\$M)****NET ASSET VALUE (“NAV”) PER UNIT**

As at 31 December 2020, the Group’s NAV of S\$1.41 per unit, was 2.9% higher than the NAV of S\$1.37 per unit as at 31 December 2019.

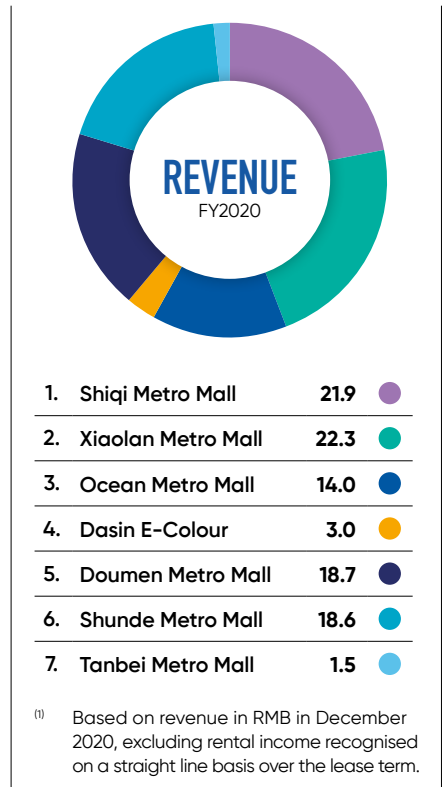
# OPERATIONS REVIEW

Guided by our asset management and investment strategies to continuously enhance the competitiveness of our portfolio, the AEs at Ocean Metro Mall to reconfigure approximately 9,085 sqm of “furniture and finishing” space into a children’s education was successfully completed in 4Q 2020, resulting in a positive rental reversion of about 46% achieved for the reconfigured space.

As at 31 December 2020, DRT’s portfolio comprises seven retail malls in Zhongshan, Zhuhai and Foshan cities. Proactive asset and investment efforts have resulted in a resilient and diversified portfolio with no single property contributing more than 23% of the Trust’s revenue in December 2020.

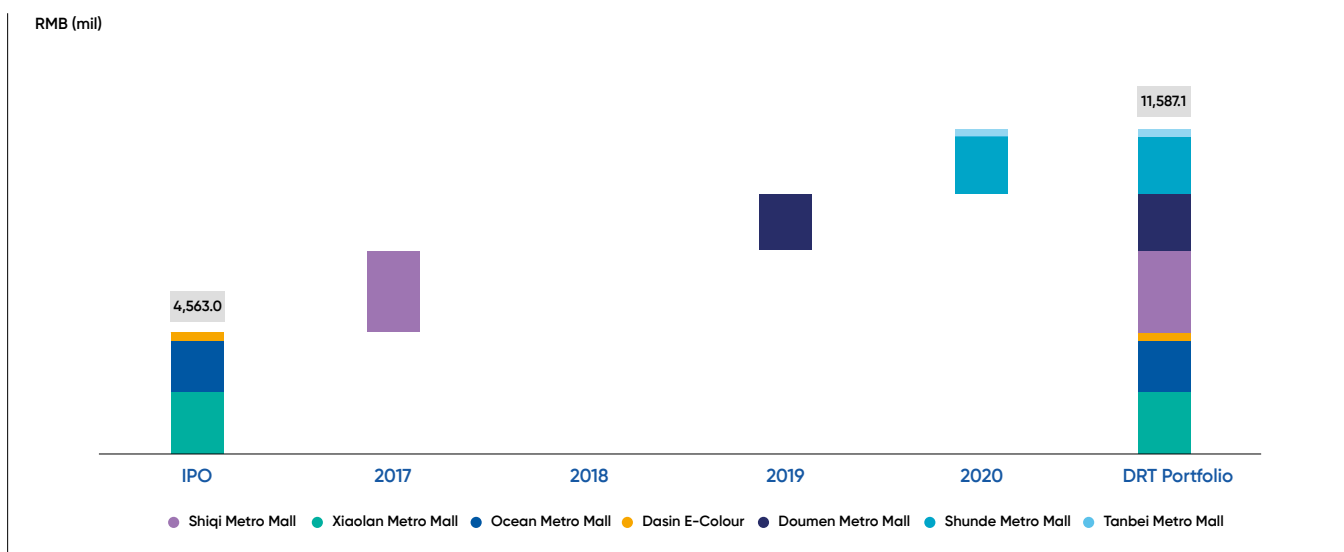
	Revenue (%)
Shiqi Metro Mall	21.9%
Xiaolan Metro Mall	22.3%
Ocean Metro Mall	14.0%
Dasin E-Colour	3.0%
Doumen Metro Mall	18.7%
Shunde Metro Mall	18.6%
Tanbei Metro Mall	1.5%
<b>Portfolio</b>	<b>100.0%</b>

## EXISTING PORTFOLIO<sup>(1)</sup>



In July 2020, DRT acquired Shunde Metro Mall and Tanbei Metro Mall in Foshan city and Zhongshan city, for an agreed property value of S\$375 million (RMB1,946 million), further strengthening DRT’s foothold in the fast-developing GBA with high growth potential. Following the acquisition, the valuation of the Trust’s portfolio has been expanded by nearly three times to about RMB11.6 billion from RMB4.6 billion, within three years from listing.

## PORTFOLIO VALUATION



## OCCUPANCY RATE

Amid COVID-19 challenges, DRT's portfolio demonstrated its resilience, ending the year with a stable occupancy rate of 96.5% as at 31 December 2020.

	As at 31 December 2020	As at 31 December 2019
Shiqi Metro Mall	96.7%	98.5%
Xiaolan Metro Mall	97.2%	99.4%
Ocean Metro Mall	96.7%	98.6%
Dasin E-Colour	86.0%	96.3%
Doumen Metro Mall	97.9%	99.0%
<b>Portfolio excluding Shunde Metro Mall and Tanbei Metro Mall</b>	<b>96.7%</b>	<b>98.8%</b>
Shunde Metro Mall	95.8%	N.A <sup>(1)</sup>
Tanbei Metro Mall	96.3%	N.A <sup>(1)</sup>
<b>Portfolio</b>	<b>96.5%</b>	<b>N.A<sup>(1)</sup></b>

<sup>(1)</sup> Shunde Metro Mall and Tanbei Metro Mall were acquired on 8 July 2020.  
N.A. = Not Applicable

## LEASE EXPIRY PROFILE

As at 31 December 2020, the portfolio weighted average lease expiry by NLA was 6.1 years. Approximately 40.9% of leases by NLA are due to expire in 2026 and beyond mainly due to anchor tenants with long leases, which ensures the Trust enjoys a more stable cash flow.

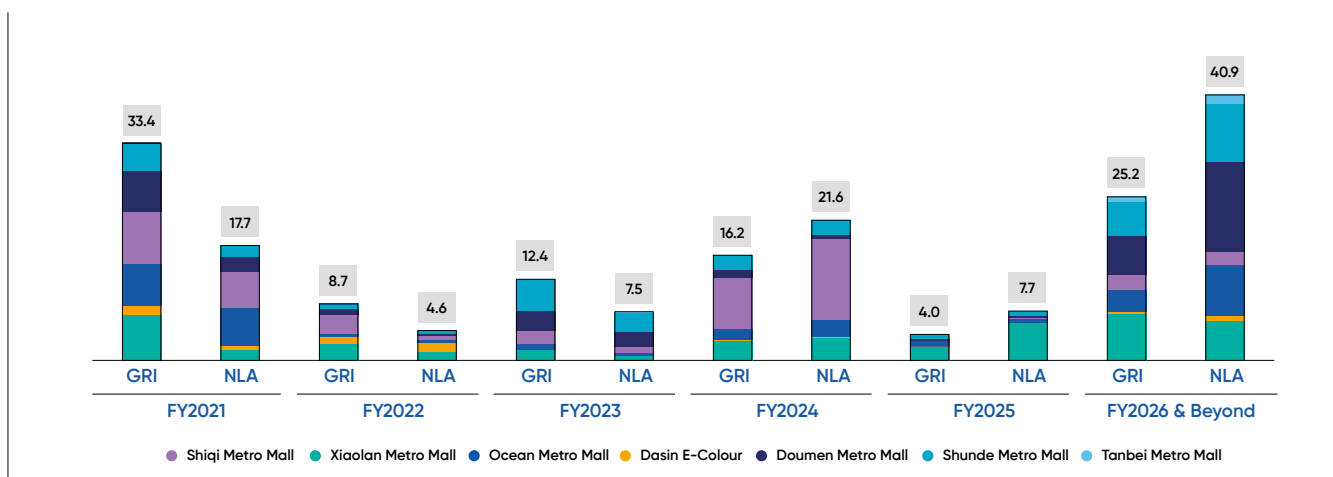
	As at 31 December 2020	
	NLA	GRI
FY2021 <sup>(1)</sup>	17.7%	33.5%
FY2022	4.6%	8.7%
FY2023	7.5%	12.4%
FY2024	21.6%	16.2%
FY2025	7.7%	4.0%
FY2026 & Beyond	40.9%	25.2%
<b>Total</b>	<b>100%</b>	<b>100%</b>

<sup>(1)</sup> Leases expiring on 31 December 2020.



# OPERATIONS REVIEW

## LEASE EXPIRY PROFILE (BY PROPERTIES) (%)



## LEASE EXPIRY FOR 2021<sup>(4)</sup>

	No. of Leases <sup>(1)</sup>	NLA		GRI	
		sqm	% of Total <sup>(2)</sup>	RMB'000	% of Total <sup>(3)</sup>
Shiqi Metro Mall	81	21,315	5.6	3,227	8.0
Xiaolan Metro Mall	71	6,040	1.6	2,801	6.9
Ocean Metro Mall	83	21,998	5.8	2,685	6.6
Dasin E-Colour	34	2,430	0.6	582	1.4
Doumen Metro Mall	118	8,586	2.2	2,515	6.2
Shunde Metro Mall	79	7,247	1.9	1,723	4.3
Tanbei Metro Mall	2	39	0.01	6	0.02
<b>Total</b>	<b>468</b>	<b>67,655</b>	<b>17.71</b>	<b>13,539</b>	<b>33.42</b>

<sup>(1)</sup> Based on the signed lease agreements on or before 31 December 2020.

<sup>(2)</sup> Based on the total NLA as at 31 December 2020.

<sup>(3)</sup> Based on the total GRI of December 2020.

<sup>(4)</sup> Included leases which expired on 31 December 2020.

## WALE (YEARS)

	As at 31 December 2020	
	NLA	GRI
Shiqi Metro Mall	2.9	2.4
Xiaolan Metro Mall	4.6	3.6
Ocean Metro Mall	6.3	4.0
Dasin E-Colour	2.2	1.4
Doumen Metro Mall	10.0	4.5
Shunde Metro Mall	7.7	4.9
Tanbei Metro Mall	6.1	6.4
<b>Portfolio</b>	<b>6.1</b>	<b>3.8</b>

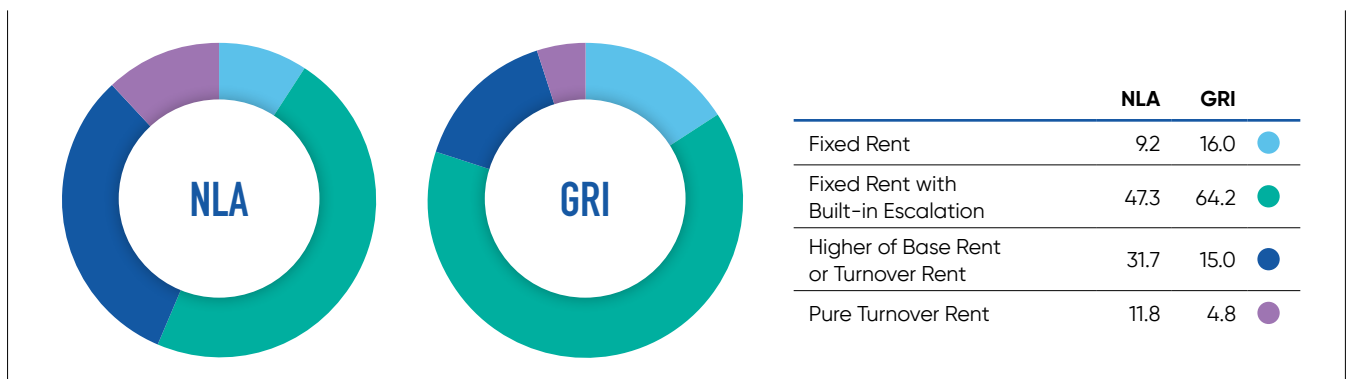
## LEASE STRUCTURE

The Trust's portfolio lease structure comprises four components including fixed rent, fixed rent with built-in escalation, higher of base rent or turnover rent and pure turnover rent. The fixed rent and fixed rent with built-in escalation components provide the Trust with stable rental income while the lease structures with turnover rent provide growth to the portfolio and allows the Trustee-Manager to track Tenants' sales.

As at 31 December 2020				
	NLA		GRI	
	sqm	% of Total	RMB'000	% of Total <sup>(1)</sup>
Fixed Rent	34,988	9.2	6,422	16.0
Fixed Rent with Built-in-Escalation	180,838	47.3	25,955	64.2
Higher of Base Rent or Turnover Rent	121,784	31.7	6,151	15.0
Pure Turnover Rent	44,609	11.8	1,927	4.8
<b>PORTFOLIO</b>	<b>382,219</b>	<b>100</b>	<b>40,455</b>	<b>100</b>

<sup>(1)</sup> Based on GRI in December 2020.

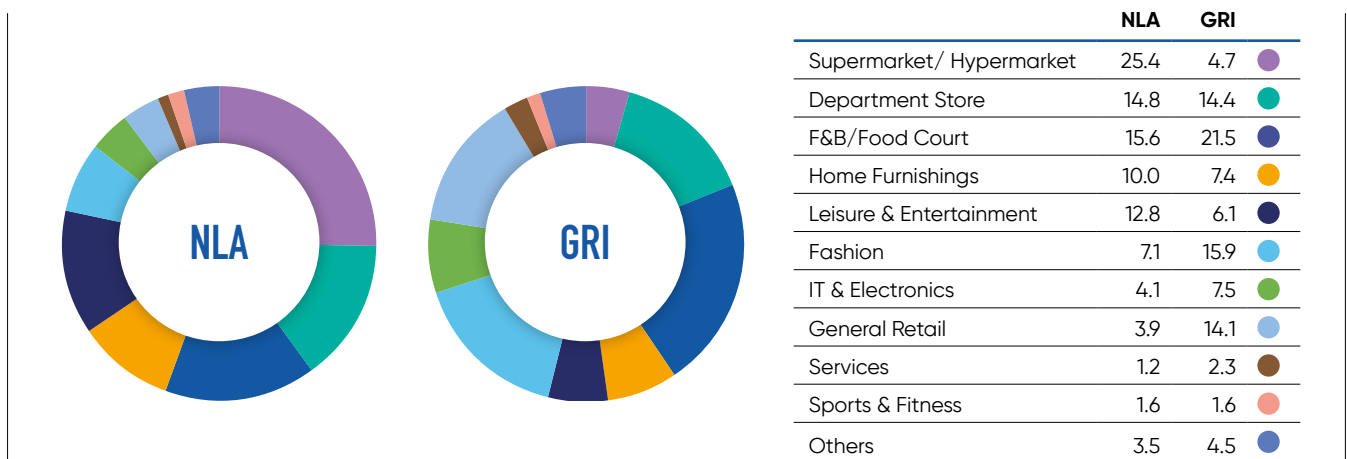
### LEASE STRUCTURE (%)



## TRADE SECTOR

The portfolio has a diversified tenant mix with each sector accounting for less than 25% of portfolio NLA & GRI, which leads to diversification of risk.

### TRADE SECTOR (%)



# OPERATIONS REVIEW

## TOP TEN TENANTS

No.	Tenants	Brand Name	Trade Sector	Lease Expiry	NLA (Sqm)	NLA	GRI
1.	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	31,804	8.03%	6.74%
			Leisure & Entertainment	Mar/2022			
			Department Store	Nov/2021			
2.	中山市优越城百货管理有限公司 Zhongshan Youyuecheng Store Management Co., Ltd.	优越城百货 Superior City Department Store	Department Store	Apr/2024	19,667	4.97%	6.38%
	中山市东区优越城百货管理有限公司 Zhongshan East Youyuecheng Store Management Co., Ltd.		Nov/2020				
3.	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	简美家居 Jane Eyre Furniture Mall	Home Furnishings	Sep/2024	29,428	7.43%	4.94%
	中山市简美家居有限公司东区分公司 Jian Mei Furniture Co., Ltd. (Dongqu Branch)			Jan/2020			
	中山市简美家居有限公司 Zhongshan Jianmei Household Co., Ltd.			May/2021			
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	15.61%	4.85%
	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	3,417	0.86%	2.51%
6.	中山市东升大信餐饮服务有限公司 Zhongshan Dongsheng Dasin Food Services Co., Ltd.	信轩餐饮 Xin Xuan Hotel Restaurant	Food & Beverage	Mar/2027	14,446	3.65%	2.28%
	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			
	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			



No.	Tenants	Brand Name	Trade Sector	Lease Expiry	NLA (Sqm)	NLA	GRI
7.	中山苏宁易购商贸有限公司 Zhongshan Suning Yunshang Trading Co., Ltd	苏宁易购 Suning.com	IT & Electronics	Jun/2028	7,876	1.99%	1.78%
	佛山市苏宁易购销售有限公司 Foshan Suning Tesco Sales Co., Ltd.			Sep/2028			
	珠海苏宁易购销售有限公司 Zhuhai Suning Tesco Sales Co., Ltd.			Jan/2029			
8.	刘兆勇 Liu Zhaoyong	华为plus Huawei plus	General Retail	Nov/2022	759	0.19%	1.24%
		永成通讯 Yongcheng Communication	IT & Electronics	Sep/2021			
9.	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	0.9%	1.2%
10.	珠海市威尼斯西餐有限公司 Zhuhai Venice Western Food Co., Ltd.	威尼斯西餐牛扒城 Venice Steak City	Food & Beverage	Oct/2028	1,531	1.56%	1.1%
	珠海市威尼斯西餐有限公司大良分公司 Zhuhai Venice Western Food Co., Ltd. Daliang Branch			Nov/2028	2,064		
	中山市小榄镇威尼斯西餐厅 Zhongshan Xiaolan Venice Western Restaurant			Sep/2024	2,570		

## MASTER LEASE AGREEMENT

As disclosed in the Prospectus dated 13 January 2017, Dasin Merchant Investment entered into the separate Master Lease Agreements for certain units on the first and the third floors of Xiaolan Metro Mall and for certain units on the fourth, eighth and ninth floors as well as the entire seventh floor of Dasin E-Colour.

The Trustee-Manager is to provide updates on the status of the Master Lease Agreements, including whether the assumptions originally projected in the Prospectus (such as the rental amount) have been achieved or to provide an explanation if otherwise.

The Master Lease Agreement at Dasin E-Colour mentioned above was renewed for three years when it was expired on 1 March 2019, and will be renewed upon expiry on 1 March 2022. As at 31 December 2020, the following results have been achieved:

	Mall	NLA (sqm)	From	To	GRI (FY2020) (RMB)	GRI for remaining lease period (RMB)	Remaining Lease Period (years)
大信新都汇商业 投资有限公司	Xiaolan Metro Mall	11,952.3	26 September 2017	25 September 2027	19,300,388.99	179,469,717.74	6.75
Dasin Merchant Investment	Dasin E-Colour	4,593.0	2 March 2019	1 March 2022	2,927,842.98	4,419,747.00	1.16

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

# KEY PROPERTIES

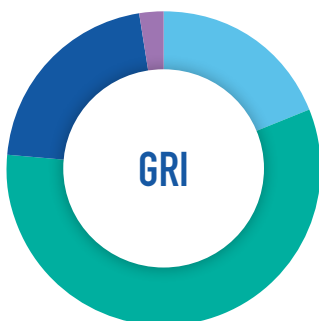
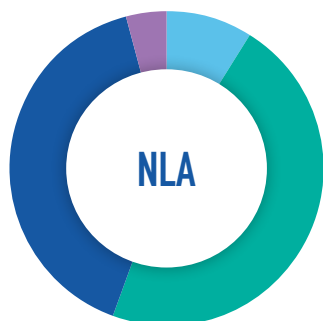
## Shiqi Metro Mall

Shiqi Metro Mall, with over 17 years of history, is the first shopping mall in Zhongshan. It has a broad trade mix targeting primarily middle-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 strategic location, Shiqi Metro Mall has always enjoyed a high occupancy rate and has 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 well served by many local public bus routes, including one which stops directly in front of the property. Shiqi Metro Mall also provides free shuttle bus services to surrounding communities as well as to other shopping malls to generate steady customer footfall.



### LEASE STRUCTURE (%)



Fixed Rent	9.0	●
Fixed Rent with Built-in Escalation	46.7	●
Higher of Base Rent or Turnover Rent	40.3	●
Pure Turnover Rent	4.0	●

Fixed Rent	19.0	●
Fixed Rent with Built-in Escalation	57.6	●
Higher of Base Rent or Turnover Rent	20.9	●
Pure Turnover Rent	2.5	●

### PROPERTY INFORMATION

As at 31 December 2020

Gross Floor Area (sqm) **119,682**

Net Lettable Area (sqm) **85,008**

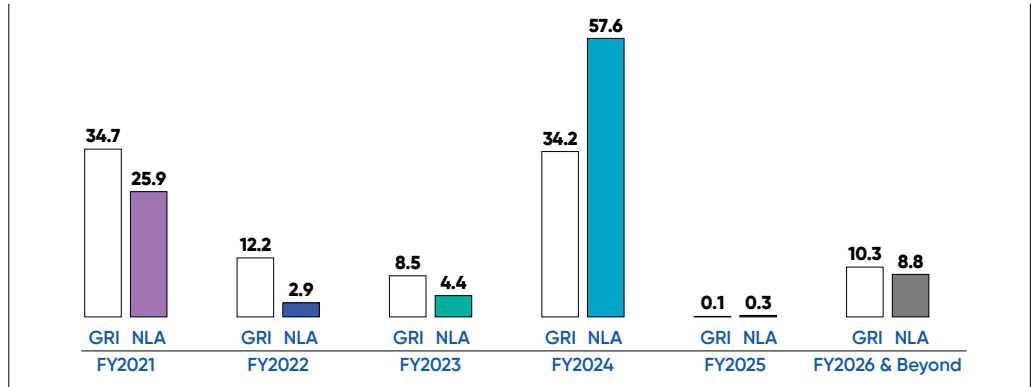
Valuation (S\$m) **579.8**

Occupancy **96.7%**

WALE (Years) (NLA/GRI) **2.9/2.4**



**LEASE EXPIRY PROFILE (%)**



**NLA BY TRADE SECTOR (%)**

As at 31 December 2020

1. Supermarket / Hypermarket	21.2
2. Department Store	25.2
3. Food & Beverage / Food court	9.9
4. Home Furnishings	20.4
5. Leisure & Entertainment	9.2
6. Fashion	2.5
7. IT & Electronics	6.6
8. General Retail	4.0
9. Services	0.1
10. Sports & Fitness	0.7
11. Others	0.2

**GRI TRADE SECTOR (%)**

As at 31 December 2020

1. Supermarket / Hypermarket	3.8
2. Department Store	22.5
3. Food & Beverage / Food court	14.6
4. Home Furnishings	14.4
5. Leisure & Entertainment	2.9
6. Fashion	9.3
7. IT & Electronics	13.7
8. General Retail	16.7
9. Services	0.5
10. Sports & Fitness	0.5
11. Others	1.1

**MAP**





# KEY PROPERTIES

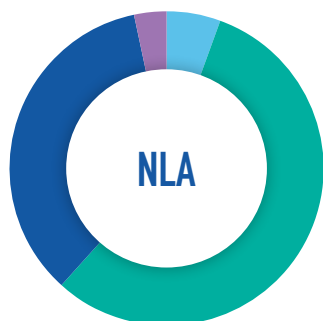
## Xiaolan Metro Mall

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 leading retail and F&B brands such as Chow Tai Fook, McDonald’s, KFC and Pizza Hut.

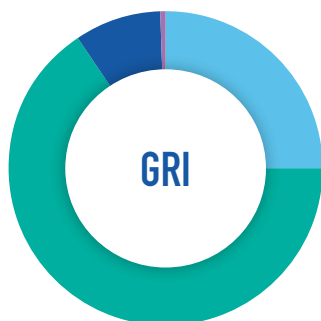
Xiaolan Metro Mall is situated in the largest shopping district in Northern Zhongshan where there are several large-scale residential communities in the area. In addition, Xiaolan Metro Mall is in close vicinity to Xiaolan Town Government, Xiaolan Gymnasium and Zhongshan Xiaolan Middle School, which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



### LEASE STRUCTURE (%)



Fixed Rent	5.6	●
Fixed Rent with Built-in Escalation	56.3	●
Higher of Base Rent or Turnover Rent	34.8	●
Pure Turnover Rent	3.3	●



Fixed Rent	25.2	●
Fixed Rent with Built-in Escalation	65.6	●
Higher of Base Rent or Turnover Rent	8.7	●
Pure Turnover Rent	0.5	●

### PROPERTY INFORMATION

As at 31 December 2020

Gross Floor Area (sqm) **108,690**

Net Lettable Area (sqm) **73,282**

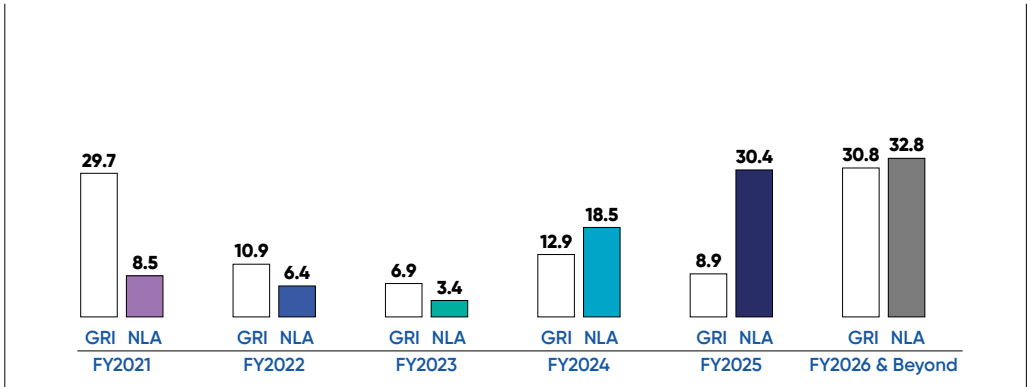
Valuation (\$m) **435.1**

Occupancy **97.2%**

WALE (Years) (NLA/GRI) **4.6/3.6**



**LEASE EXPIRY PROFILE (%)**



**NLA BY TRADE SECTOR (%)**

As at 31 December 2020

1. Supermarket / Hypermarket	27.0
2. Department Store	16.8
3. Food & Beverage / Food court	18.7
4. Home Furnishings	8.0
5. Leisure & Entertainment	7.0
6. Fashion	9.9
7. IT & Electronics	5.5
8. General Retail	3.6
9. Services	3.3
10. Others	0.2

**GRI TRADE SECTOR (%)**

As at 31 December 2020

1. Supermarket / Hypermarket	4.3
2. Department Store	20.4
3. Food & Beverage / Food court	20.4
4. Home Furnishings	5.5
5. Leisure & Entertainment	1.3
6. Fashion	17.6
7. IT & Electronics	8.4
8. General Retail	17.7
9. Services	3.8
10. Others	0.6

**MAP**





# KEY PROPERTIES

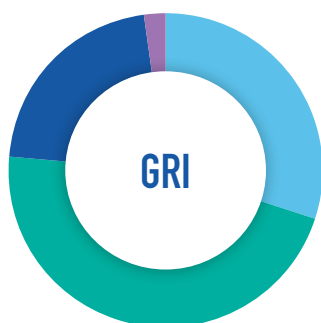
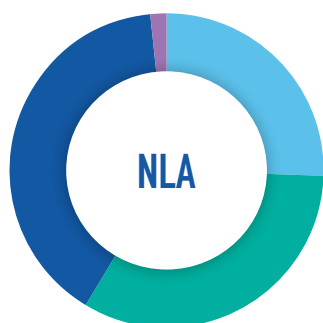
## Ocean Metro Mall

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. Opened in December 2014, the mall is positioned as a mid-to-high-end modern and experiential lifestyle destination offering a comprehensive shopping experience. It has a wide variety of retail, dining and entertainment options catering to different customer segments. Its spacious walkways and large atrium allow the mall to host a wide variety of promotional activities and events. Adjacent to Ocean Metro Mall is the Zhongshan Expo Centre with an area of 110,000 sqm, bringing additional visitor traffic to the mall.

Ocean Metro Mall houses a number of leading local and international names such as Carrefour, Top Party KTV, Win Fitness, Jinyi Cinema, Starbucks and McDonald's. It also offers free shuttle bus services to other districts and towns, providing easy access for local residents to shop at the complex.



### LEASE STRUCTURE (%)



Fixed Rent	25.7	●
Fixed Rent with Built-in Escalation	33.0	●
Higher of Base Rent or Turnover Rent	39.9	●
Pure Turnover Rent	1.4	●

Fixed Rent	30.1	●
Fixed Rent with Built-in Escalation	46.3	●
Higher of Base Rent or Turnover Rent	21.6	●
Pure Turnover Rent	2.0	●

### PROPERTY INFORMATION

As at 31 December 2020

Gross Floor Area (sqm) **180,338**

Net Lettable Area (sqm) **71,314**

Valuation (\$m) **345.3**

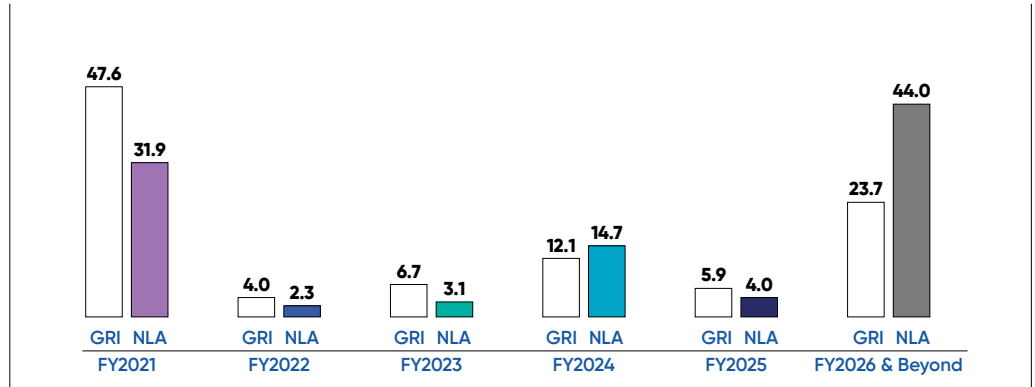
Occupancy **96.7%**

WALE (Years) (NLA/GRI) **6.3/4.0**





**LEASE EXPIRY PROFILE (%)**



**NLA BY TRADE SECTOR (%)**

As at 31 December 2020

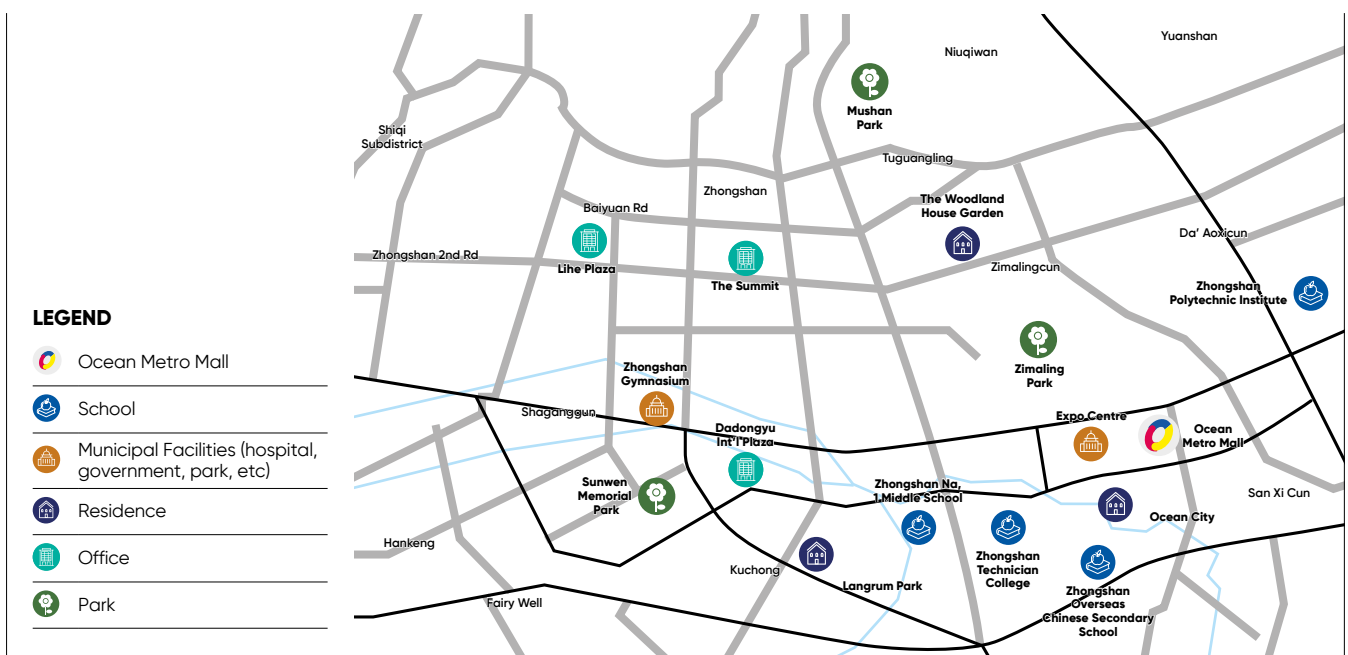
1. Supermarket / Hypermarket	25.7
2. Department Store	24.2
3. Food & Beverage / Food court	16.1
4. Home Furnishings	0.3
5. Leisure & Entertainment	12.1
6. Fashion	3.7
7. IT & Electronics	0.1
8. General Retail	2.3
9. Services	1.3
10. Sports & Fitness	4.2
11. Others	10.0

**GRI TRADE SECTOR (%)**

As at 31 December 2020

1. Supermarket / Hypermarket	5.9
2. Department Store	21.7
3. Food & Beverage / Food court	28.6
4. Home Furnishings	0.9
5. Leisure & Entertainment	6.6
6. Fashion	10.5
7. IT & Electronics	0.1
8. General Retail	5.9
9. Services	2.1
10. Sports & Fitness	4.1
11. Others	13.6

**MAP**



# KEY PROPERTIES

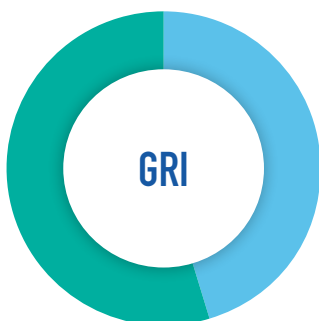
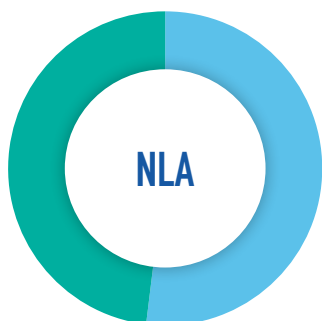
## Dasin E-Colour

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 initiatives ("AEI") to transform it into a 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 housing fashionable retail outlets, popular F&B stores and entertainment facilities. In addition, the mall regularly organises promotional activities on Valentine's Day, Christmas and other festive seasons to attract footfall.



### LEASE STRUCTURE (%)



Fixed Rent	52.1	●
Fixed Rent with Built-in Escalation	47.9	●

Fixed Rent	45.5	●
Fixed Rent with Built-in Escalation	54.5	●

### PROPERTY INFORMATION

As at 31 December 2020

Gross Floor Area (sqm) **25,857**

Net Lettable Area (sqm) **12,579**

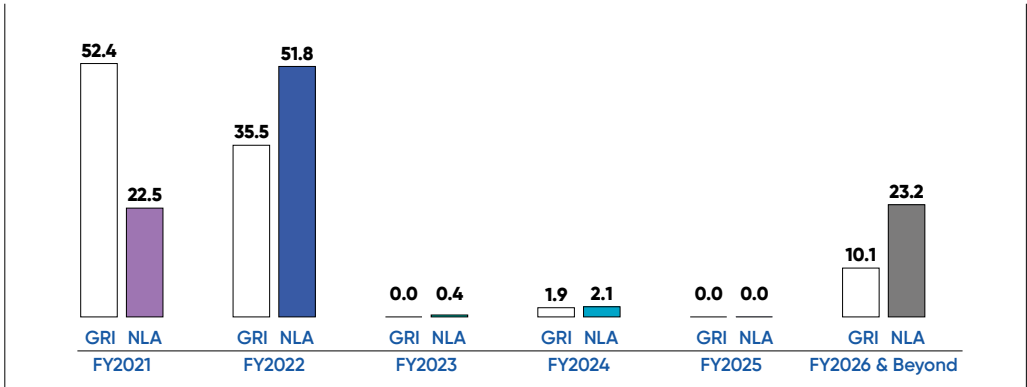
Valuation (S\$m) **57.1**

Occupancy **86.0%**

WALE (Years) (NLA/GRI) **2.2/1.4**



**LEASE EXPIRY PROFILE (%)**



**NLA BY TRADE SECTOR (%)**

As at 31 December 2020

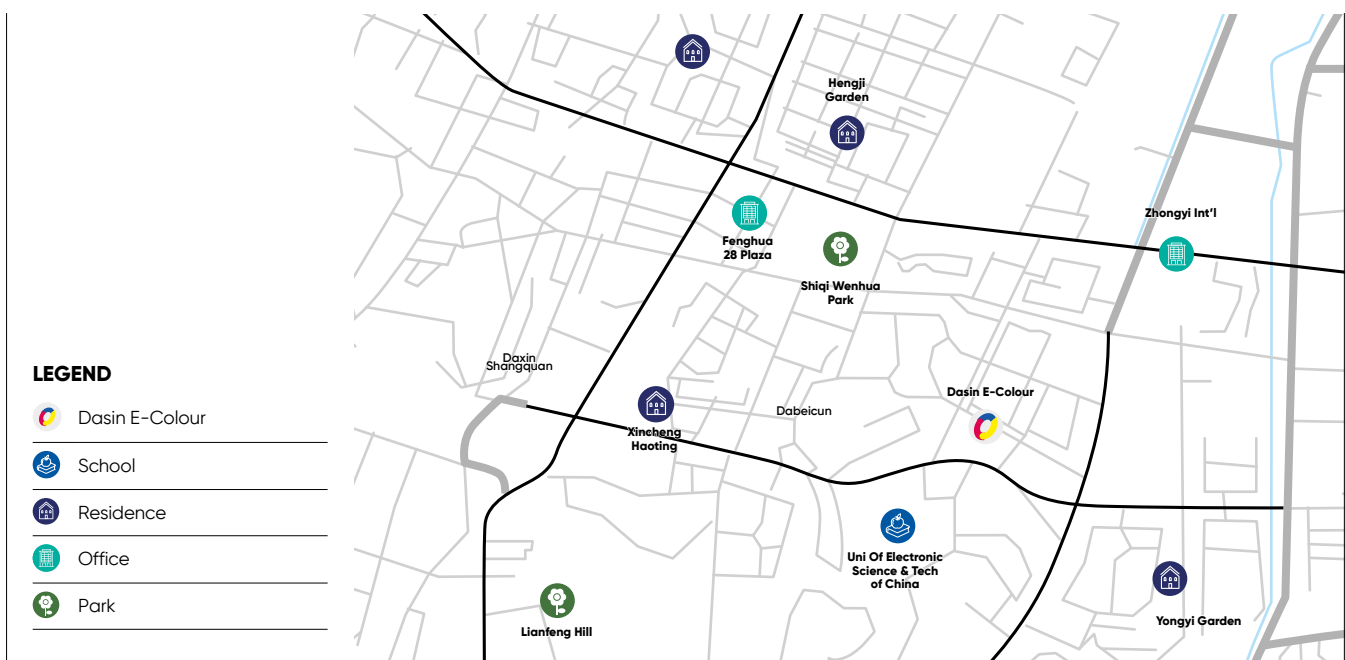
1. Food & Beverage / Food court	23.8
2. Leisure & Entertainment	59.2
3. Fashion	0.8
4. General Retail	4.0
5. Services	10.6
6. Others	1.6

**GRI TRADE SECTOR (%)**

As at 31 December 2020

1. Food & Beverage / Food court	21.9
2. Leisure & Entertainment	34.1
3. Fashion	1.6
4. General Retail	7.4
5. Services	32.7
6. Others	2.3

**MAP**





# KEY PROPERTIES

## Doumen Metro Mall

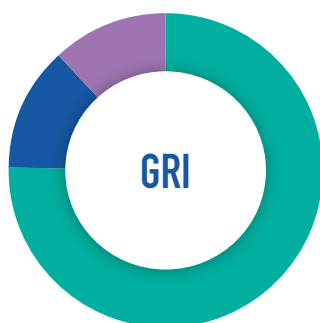
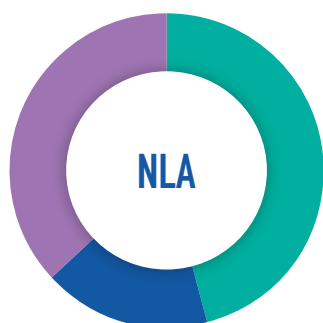
Doumen Metro Mall is a large-scale integrated shopping mall that provides a one-stop destination for leisure, entertainment, F&B and retail activities.

Doumen district, where the shopping mall is located, is the second largest district in Zhuhai in terms of resident population. The district is sited 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 thoroughfare 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 location of the shopping mall makes it easily accessible to shoppers within its vicinity and from the surrounding areas, contributing to strong footfall.



### LEASE STRUCTURE (%)



Fixed Rent with Built-in Escalation	46.0	●
Higher of Base Rent or Turnover Rent	17.3	●
Pure Turnover Rent	36.7	●

Fixed Rent with Built-in Escalation	75.3	●
Higher of Base Rent or Turnover Rent	13.0	●
Pure Turnover Rent	11.7	●

### PROPERTY INFORMATION

As at 31 December 2020

Gross Floor Area (sqm) **168,269**

Net Lettable Area (sqm) **78,049**

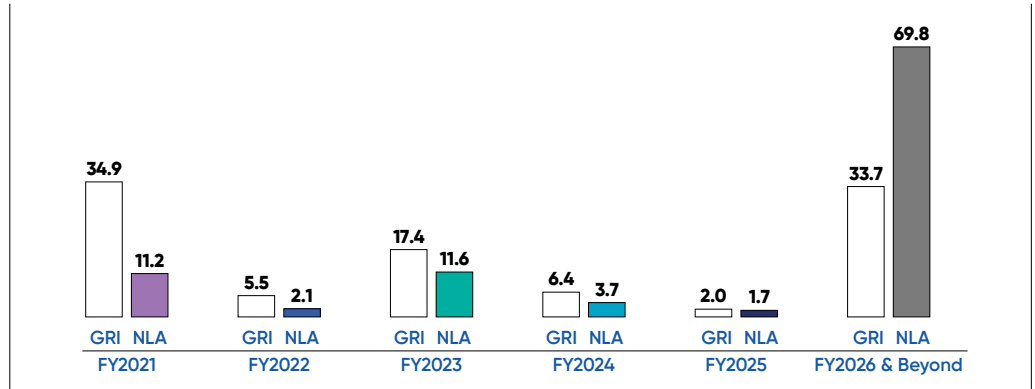
Valuation (S\$m) **407.9**

Occupancy **97.9%**

WALE (Years) (NLA/GRI) **10.0/4.5**



**LEASE EXPIRY PROFILE (%)**



**NLA BY TRADE SECTOR (%)**

As at 31 December 2020

1. Supermarket / Hypermarket	32.9
2. Food & Beverage / Food court	21.3
3. Home Furnishings	1.7
4. Leisure & Entertainment	16.9
5. Fashion	10.6
6. IT & Electronics	3.5
7. General Retail	5.8
8. Services	1.7
9. Others	5.6

**GRI TRADE SECTOR (%)**

As at 31 December 2020

1. Supermarket / Hypermarket	5.5
2. Food & Beverage / Food court	30.5
3. Home Furnishings	4.0
4. Leisure & Entertainment	9.6
5. Fashion	22.6
6. IT & Electronics	3.6
7. General Retail	15.2
8. Services	2.9
9. Others	6.1

**MAP**





# KEY PROPERTIES

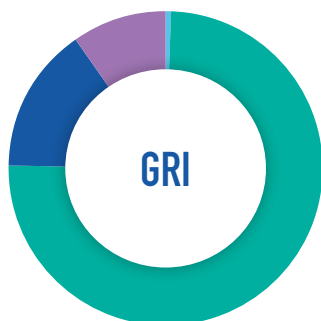
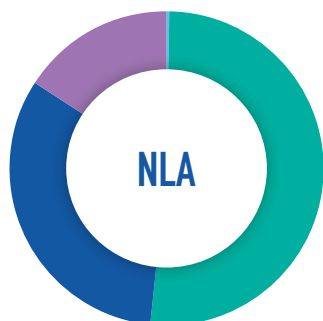
## Shunde Metro Mall

Shunde Metro Mall is a large-scale integrated shopping destination for leisure, entertainment, F&B and retail activities. The mall benefits from the convenient transportation network with close proximity to Shunde Bus Terminal, Shunde College Railway Station and an upcoming subway station. It is also within walking distance to the Sheraton Hotel and the InterContinental Hotel, two leading tourist establishments.

Shunde Metro Mall enjoys the benefit of being located in Daliang Town, which is the district centre and has the largest residential population in the Shunde District. There are also, among others, large scale residential communities, universities, colleges and relatively mature commercial zone within Daliang Town and the nearby Ronggui Town. The straight-line distance between Shunde Metro Mall and the Shunde district government office is approximately one kilometre. These municipal facilities and the high residential population provide a large catchment of customers for Shunde Metro Mall.



### LEASE STRUCTURE (%)



Fixed Rent	0.3	●
Fixed Rent with Built-in Escalation	51.6	●
Higher of Base Rent or Turnover Rent	32.5	●
Pure Turnover Rent	15.6	●

Fixed Rent	0.8	●
Fixed Rent with Built-in Escalation	74.7	●
Higher of Base Rent or Turnover Rent	14.9	●
Pure Turnover Rent	9.6	●

### PROPERTY INFORMATION

As at 31 December 2020

Gross Floor Area (sqm) **177,276**

Net Lettable Area (sqm) **66,781**

Valuation (S\$m) **505.7**

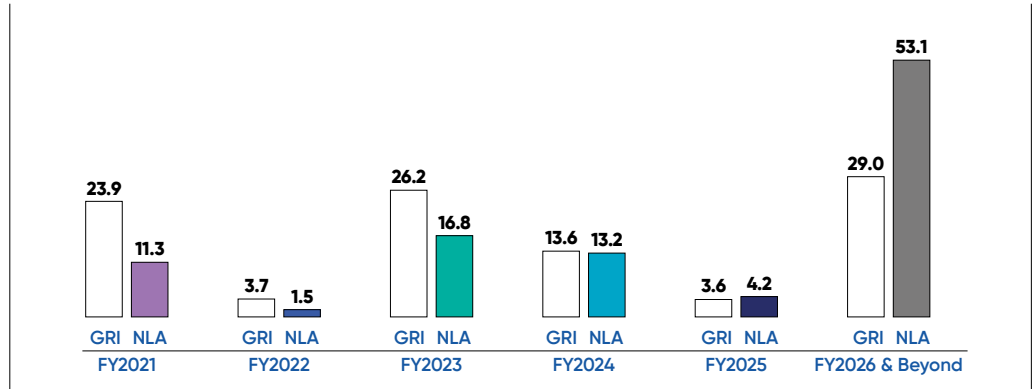
Occupancy **95.8%**

WALE (Years) (NLA/GRI) **7.7/4.9**





**LEASE EXPIRY PROFILE (%)**



**NLA BY TRADE SECTOR (%)**

As at 31 December 2020

1. Supermarket / Hypermarket	8.7
2. Food & Beverage / Food court	25.2
3. Home Furnishings	1.5
4. Leisure & Entertainment	16.7
5. Fashion	12.6
6. IT & Electronics	1.3
7. General Retail	14.3
8. Services	3.7
9. Sports & Fitness	8.6
10. Others	7.4

**GRI TRADE SECTOR (%)**

As at 31 December 2020

1. Supermarket / Hypermarket	3.3
2. Food & Beverage / Food court	31.8
3. Home Furnishings	1.9
4. Leisure & Entertainment	5.2
5. Fashion	15.8
6. IT & Electronics	2.6
7. General Retail	23.2
8. Services	5.4
9. Sports & Fitness	4.6
10. Others	6.2

**MAP**



# KEY PROPERTIES

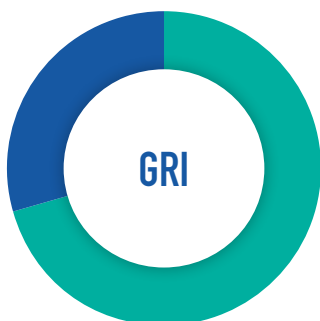
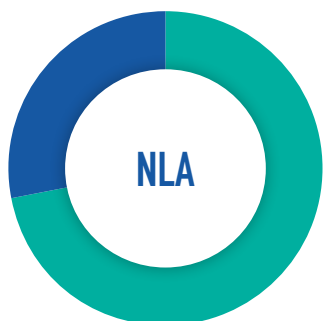
## Tanbei Metro Mall

Tanbei Metro Mall is the only shopping mall in Dongsheng Town. Dongsheng is a growing township with upcoming schools, hospitals and commercial zones. The shopping mall enjoys a strong catchment of customers with the nearby residential quarters, municipal and commercial facilities and convenient transportation network. It is a lifestyle destination with key tenants including a premium supermarket, a department store, F&B outlets and childcare service providers.

Tanbei Metro Mall, sited in the centre of Dongsheng Town, is within approximately five-kilometer straight-line distance to the Dongsheng Bus Terminal and Dongsheng Railway Station. Established in 2018 as the town's first shopping mall, it is well-positioned to capitalise on opportunities from its expanding community.



### LEASE STRUCTURE (%)



Fixed Rent with Built-in Escalation	72.2	●
Higher of Base Rent or Turnover Rent	27.8	●

Fixed Rent with Built-in Escalation	70.8	●
Higher of Base Rent or Turnover Rent	29.2	●

### PROPERTY INFORMATION

As at 31 December 2020

Gross Floor Area (sqm) **13,905**

Net Lettable Area (sqm) **8,928**

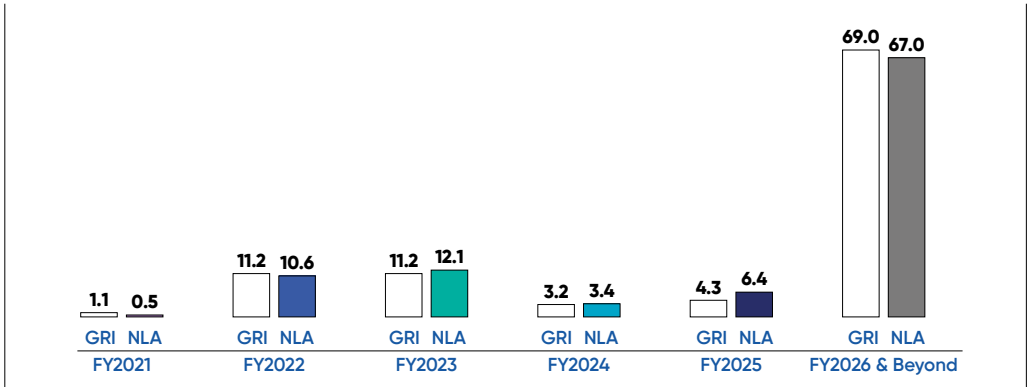
Valuation (\$m) **14.9**

Occupancy **96.3%**

WALE (Years) (NLA/GRI) **6.1/6.4**



**LEASE EXPIRY PROFILE (%)**



**NLA BY TRADE SECTOR (%)**

As at 31 December 2020

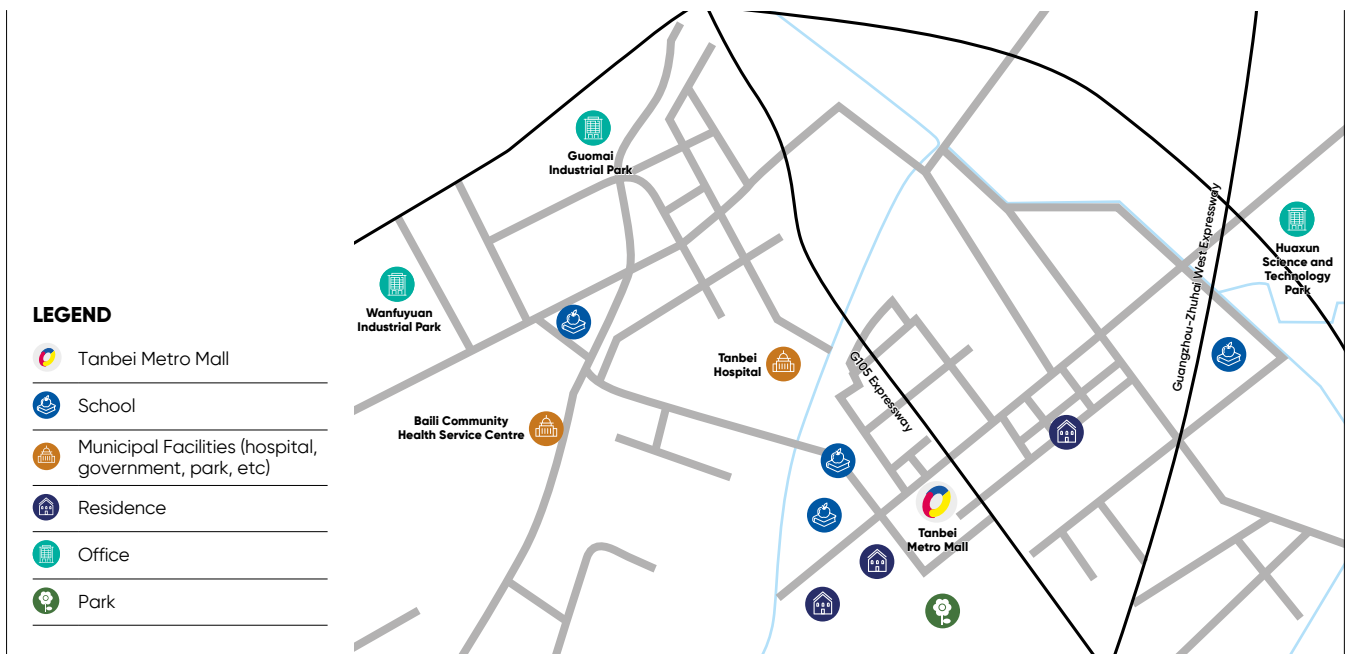
1. Supermarket / Hypermarket	18.4
2. Food & Beverage / Food court	36.7
3. Leisure & Entertainment	9.0
4. Fashion	0.3
5. General Retail	4.9
6. Services	19.5
7. Sports & Fitness	6.4
8. Education	4.8

**GRI TRADE SECTOR (%)**

As at 31 December 2020

1. Supermarket / Hypermarket	20.3
2. Food & Beverage / Food court	39.7
3. Leisure & Entertainment	9.0
4. Fashion	0.5
5. General Retail	5.1
6. Services	17.4
7. Sports & Fitness	4.3
8. Education	3.7

**MAP**





# MARKET REVIEW



Shunde Metro Mall



The impact from the pandemic might be with us for some time, and it remains to be seen what will play out from the roll-out of the large-scale vaccination drive and its effect on the economy and people's lives.

### MACRO OVERVIEW<sup>(1)</sup>

In 2020, the global economy slowed down considerably due to the impact of the COVID-19 pandemic. Countries around the world were focused on dealing with the global health threat while also planning for the resumption of productivity and work after the pandemic. China was proactive in implementing preventive measures from the start of the outbreak. After two waves of outbreaks, the country started to regain stability and bounced back in the second quarter, reporting a 6.5% growth rate in the fourth quarter, which was even higher than pre-pandemic levels. In 2020, China saw an overall growth of 2.3%. With the roll-out of their own proactive policies, key countries worldwide saw a strong V-shaped recovery of the capital market after an initial decline, which broke historical highs.

Going into 2021, the U.S. base interest rate, expected to stay between 0% and 0.25%, and President Biden's USD 1.9 trillion stimulus – which is an extension of last year's quantitative easing – will

continue to generate a far-reaching impact on the pricing of goods, assets and capital market. While there was a dip in the service industry component of the U.S. Consumer Price Index (CPI), the consumption of goods has scaled new heights. The Treasury Inflation-Protected Securities (TIPS) value recorded a new high since 2014, and following that, the 10-year U.S. Treasury nominal interest rate has also risen recently. It is evident that we are in an inflationary cycle. The impact from the pandemic might be with us for some time, and it remains to be seen what will play out from the roll-out of the large-scale vaccination drive and its effect on the economy and people's lives.

To prevent a second wave of coronavirus outbreak in China, the Chinese government called for its people to celebrate Lunar New Year with their friends and families online instead of making the trip back home. This shows the cautiousness and high level of cooperation that Chinese citizens have when facing the pandemic together. Remaining where they were and postponing their travel plans with

loved ones to a later date made it possible for the country to resume its activities sooner rather than later.

### CHINA'S RETAIL INDUSTRY<sup>(2)</sup>

Looking at the impact of previous pandemics on our economy, consumer spending would usually recover rapidly to pre-pandemic levels, after the pandemic was eradicated or upon the arrival of a vaccine. China's quick response in the face of this outbreak has successfully suppressed the transmission of the virus. Although annual retail consumer spending was lower year-on-year, the growth rate in the fourth quarter was back up to around 5%.

Looking at 2020 in retrospect, the pandemic was brought under control in the second quarter—it was then that travelling restrictions started to be loosened and brick-and-mortar businesses resumed normal operations. However, due to the sporadic resurgence of the virus, the retail sector still recorded a decline of 3.9% year-on-year. We predict that the economy will continue to recover in 2021.



Lunar New Year event at Shiqi Metro Mall

<sup>(1)</sup> Haitong Securities Macro Outlook Research Report, 2 February 2021.

<sup>(2)</sup> National Bureau of Statistics of China.

# MARKET REVIEW

## REGIONAL ECONOMY

According to the economic data released by the Statistics Bureau of Zhongshan<sup>(3)</sup>, Zhongshan's GDP in 2020 was RMB 315.1 billion, up 1.5% from the previous year. Total consumer goods retail sales was RMB 140.7 billion, which is a decline of 13.0% year-on-year. Disposable income per capita grew 4.5% year-on-year to RMB 52,754, which is higher than the national disposable income per capita of RMB 32,189<sup>(2)</sup>.

Economic data from the Statistics Bureau of Zhuhai<sup>(4)</sup> showed that Zhuhai's GDP in 2020 was RMB 348.194 billion, 3.0% higher from the previous year. Total consumer goods retail sales registered a decline of 7.5% year-on-year to RMB 92.126 billion. Disposable income per capita rose 6.6% to RMB 55,936 versus the national disposable income per capita of RMB 32,189<sup>(2)</sup>.

As for Foshan, the Statistics Bureau of Foshan<sup>(5)</sup> reported that the city's GDP rose 1.6% in 2020 from the previous year to RMB 1,081.647 billion. Total consumer goods retail sales fell 10.8% year-on-year to RMB 328.9

billion. Compared to the national disposable income per capita of RMB 32,189<sup>(2)</sup>, Foshan's disposable income per capita was RMB 56,245, up 4.1%.

## REGIONAL PLANNING AND DEVELOPMENT

After the pandemic was effectively brought under control in 2020, the People's Bank of China and several administrative departments jointly issued a document entitled "Opinions on Financial Support for the Construction of the Guangdong-Hong Kong-Macau Greater Bay Area". The document contains 26 specific measures to facilitate a process of opening up the financial sector that adheres to higher standards, promote financial development and innovation, enhance financial cooperation among Mainland China, Hong Kong and Macau, increase financial support for construction projects in the Guangdong-Hong Kong-Macau Greater Bay Area (GBA), and provide better support to the GBA in terms of contributing to national economic development and opening up to foreign investors.

Promoting the development of the GBA is one of the key strategies of the Chinese government, and these new measures will help the area recover from the pandemic and drive its societal and economic development as a result. During China's annual parliamentary meeting ("Two Sessions") that took place after the issuance of the said opinion document, the Chinese government stressed on pushing forward with the development of GBA, reflecting the Central Government's keen interest in the economic development of this region.

In terms of basic infrastructure, the National Development and Reform Commission issued an announcement dated 3 August 2020 stating their approval to go ahead with the construction of the intercity railway projects in the GBA. This project includes 13 intercity railways and five terminal projects, covering a total distance of 775 km. Upon completion of the project, transportation circles will be built to enable access to key cities within 1 hour, prefecture-level cities within Guangdong within 2 hours, and neighbouring capital cities within 3 hours.

The GBA will be a complete ecosystem comprising the necessary hardware, software and services. As of the first half of 2019, over 35% of all listed A-shares of IT-related enterprises were located in the GBA, almost double the number of those from the Yangtze River Delta area. Among the three super city clusters in China, the total market capitalisation of GBA's enterprises was equal to that of Beijing-Tianjin-Hebei, home to the country's large-scale state-owned enterprises. Meanwhile, the market capitalisation of GBA's Technology and New Media enterprises was four times of that generated by all the other Chinese city clusters combined. As numerous headquarters of Technology and New Media



Christmas Event at Shunde Metro Mall

<sup>(3)</sup> Statistics Bureau of Zhongshan.

<sup>(4)</sup> Statistics Bureau of Zhuhai.

<sup>(5)</sup> Statistics Bureau of Foshan.





Zhongshan City, Guangdong Province

Enterprises and burgeoning start-ups are concentrated in the GBA, many young and talented technology professionals have flocked to the area – providing long-term support to the area's leading role in the Chinese technological industry.<sup>(6)</sup>

Besides attracting a huge crowd of technological talents, the economic development of the GBA has also generated huge demand for a workforce of different technical levels, resulting in an upward trend in the total population growth of the GBA on a yearly basis over the last five years. The current net growth has increased by five times since 2013, and it has become the area with the highest net population growth in China. Besides the expansion of enterprises or industries, an increase in the number of talents coming to the Bay Area also means an increase in demand for commercial spaces.

## OUTLOOK

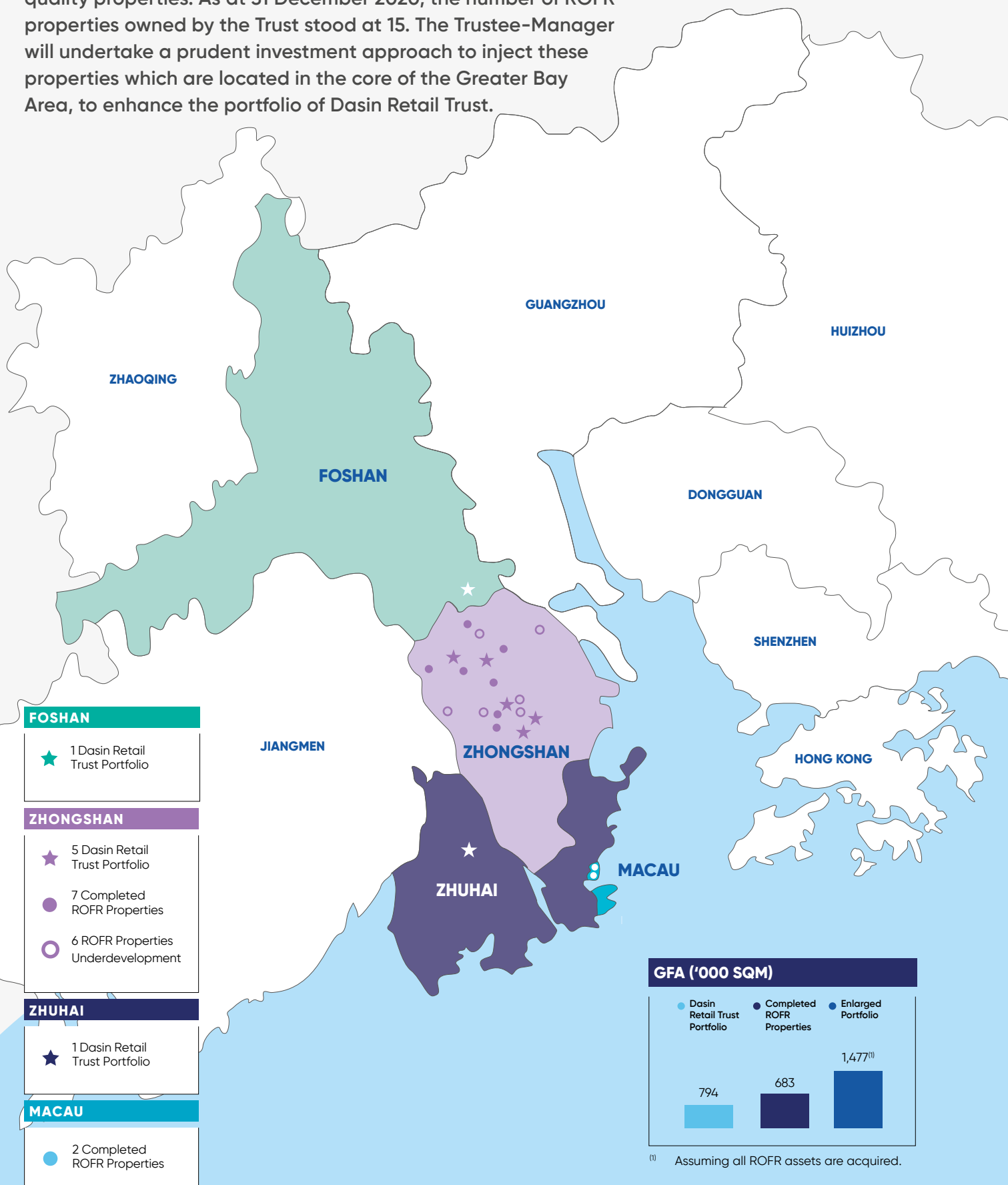
Post-pandemic recovery will be the driving theme of the global economy. Leveraging unrestricted lax regulations and low interest rates, the United States quickly recovered from the pit of the valley and entered into an inflationary cycle. Adjustments have been made in the capital market following the increasing 10-year U.S. Treasury yields. On the other hand, China is in a structural deleveraging cycle, and is facing key challenges and opportunities that stem from structural adjustments to ensure sustainable and high quality growth. Due to the effects of the money supply stimulus in 2020, investments and exports have become key drivers of economic growth. As the effects from the virus begin to subside in 2021, consumption will be back on track for rapid growth. We are optimistic about the future. The uncertainties that we can foresee are from market fluctuations due to capital imports.

In the past year, we are delighted to have seen the Chinese government successively launch REITs for Chinese basic infrastructure. We hope that this move will extend to other sections of real estate in the future, as the development of Chinese REITs will offer more variety in the types of domestic assets and medium-income investment targets. Meanwhile, this move will also cultivate and fortify the respective investor groups. REITs will also serve to provide a wide range of price anchors for real estate pricing and risk premiums, greatly boosting the overall transparency of the industry. We believe that the development and expansion of Chinese REITs into other sectors will be a huge driver in improving the fluidity of assets, and excellent assets will receive better value recognition and returns.

<sup>(6)</sup> Jones Lang LaSalle "Guangdong-Hong Kong-Macau Greater Bay Area: The Way Forward" report, June 2020.

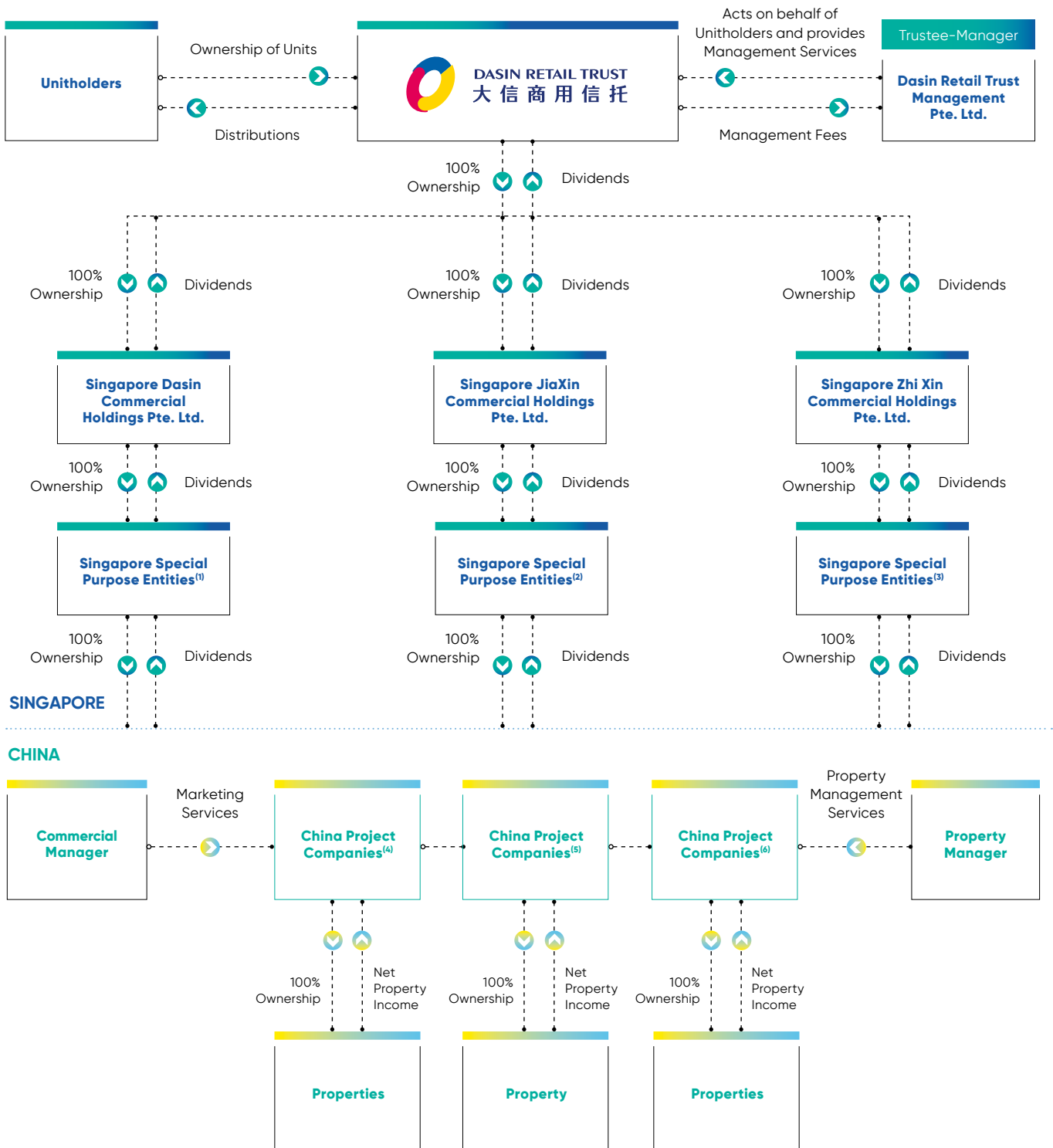
# RIGHT OF FIRST REFUSAL PROPERTIES

As a result of Dasin Retail Trust’s right of first refusal (“ROFR”) over its Sponsor’s assets, the Trust has access to a pool of high-quality properties. As at 31 December 2020, the number of ROFR properties owned by the Trust stood at 15. The Trustee-Manager will undertake a prudent investment approach to inject these properties which are located in the core of the Greater Bay Area, to enhance the portfolio of Dasin Retail Trust.



<sup>(1)</sup> Assuming all ROFR assets are acquired.

# TRUST STRUCTURE



**NOTES:**

- <sup>(1)</sup> 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.
- <sup>(2)</sup> Includes Jia Xin Holdings Pte. Ltd., Jia Xin Investments Pte. Ltd. and Jia Xin Management Pte. Ltd.
- <sup>(3)</sup> Includes Singapore Xu Xin Commercial Holdings Pte. Ltd., Singapore Tan Xin Commercial Holdings Pte. Ltd., Xu Xin Holdings Pte. Ltd., Tan Xin Holdings Pte. Ltd., Xu Xin Investments Pte. Ltd., Xu Xin Management Pte. Ltd. and Tan Xin Investments Pte. Ltd.
- <sup>(4)</sup> Includes Zhongshan Xinteng Commercial Management Co., Ltd., Zhongshan Xinrui Commercial Management Co., Ltd., Zhongshan Yuanxin Commercial Management Co., Ltd., Zhongshan Yicai Dasi Xinduhui Commercial Management Co., Ltd., Zhongshan Xiaolan Dasi Xinduhui Commercial Management Co., Ltd., Zhongshan Shiqi Dasi Xinduhui Commercial Management Co., Ltd. and Zhongshan Xinkong Commercial Management Co., Ltd.
- <sup>(5)</sup> Includes Zhuhai Xinmingyang Investment Co., Ltd. and Zhuhai Doumen Dasi Metro-Mall Commercial Management Co., Ltd.
- <sup>(6)</sup> Includes Foshan Dasi Commercial Management Co., Ltd, Foshan Shunde Dasi Metro-Mall Commercial Management Co., Ltd. and Zhongshan Yuanteng Commercial Property Management Co., Ltd.



# BOARD OF DIRECTORS

## Mr. Zhang Zhencheng

Chairman and Non-Executive Director

Mr. Zhang Zhencheng joined the Board on 14 August 2015. 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 joined the Board on 1 October 2015. 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 joined the Board on 23 December 2016. 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 Yong was the Non-Executive Director of Chinese Global Investors Group Ltd (delisted on 13 April 2020) from July 2010 to April 2020, and served as the Chairman of the Audit Committee as well as a member of the Remuneration and Nominating committees.

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 joined the Board on 23 December 2016. 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 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 is the Lead Independent Non-Executive Director, Chairman of the Remuneration Committee and member of the Audit and Nominating Committees of Shen Yao Holdings Limited (formerly known as Liongold Corp Ltd).

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 joined the Board on 23 December 2016. Mr. Tan 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 has more than 30 years of experience in accounting, finance and audit. He served as a partner at KPMG Singapore for 23 years until his retirement in September 2015.

Mr. Tan is an Independent Non-Executive Director of four other companies listed on the main board of the Singapore Stock Exchange, namely (i) Zheneng Jinjiang Environment Holding Company Limited; (ii) Koufu Group Limited; (iii) ASL Marine

Holdings Ltd; and (iv) Elite Commercial REIT Management Pte Ltd (the Manager of Elite Commercial REIT). He served as an independent non-executive director of Hong Leong Asia Ltd. from October 2015 to April 2018. Mr. Tan is also an independent non-executive director of Linklogis Inc., listed on the main board of Hong Kong Stock Exchange.

Mr. Tan received his Bachelor of Commerce (Accountancy) from Nanyang University, Singapore in 1978. He is a Fellow Member of the Institute of Singapore Chartered Accountants, the Association of Chartered Certified Accountants (United Kingdom) and the Certified Practising Accountants (Australia).

# 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. From 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 22 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.

# 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 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 2020 ("FY2020") 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 DRT at all times and hold the management team of the Trustee-Manager ("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 behaviour 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 73 to 75 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 the Conflicts of Interest policy on pages 73 to 75 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. Where required or requested by Directors, site visits in Zhongshan, Foshan and Zhuhai the People's Republic of China ("PRC") are also arranged for Directors 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 FY2020. 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.

**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 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 FY2020 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 half-yearly, 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. For the quarter where no financial statement was issued, the Board reviewed and approved the business updates voluntarily provided to Unitholders of that quarter. 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 59, 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 FY2020.



# CORPORATE GOVERNANCE

The number of Board and Board committee meetings and attendance of each Director at such meetings for FY2020 are set out in the table below.

		Board	Audit and Risk Committee	Nominating Committee	Remuneration Committee
Number of Meeting held for FY2020		2	4	1	1
Board Member	Membership				
Mr. Zhang Zhencheng	Chairman, Non-Executive Director, member of the NC	2	–	1	–
Mr. Zhang Zhongming	Deputy Chairman, Non-Executive Director, member of the RC	2	–	1*	1
Dr. Cao Yong	Lead Independent Director, Chairman of the RC and member of the ARC and NC	2	4	1	1
Mr. Sun Shu	Independent Director, Chairman of the NC and member of the ARC	2	3	1	1*
Mr. Tan Huay Lim	Independent Director, Chairman of the ARC and member of the RC	2	4	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 actual results 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.

Rule 210(5)(d) of the Listing Manual of the SGX-ST also sets out circumstances under which a director will not be independent. In particular, pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, which will come into effect on 1 January 2022, a director will not be independent if, *inter alia*, he has been a director for an aggregate period of more than nine years and his continued appointment as an independent director has not been sought and approved in separate resolutions by certain classes of unitholders (a "two-tier unitholders' vote"). There is currently no Independent Director who has served on the Board for more than nine years. In the event that any Independent Director has served on the Board for an aggregate period of nine years or more, the NC will subject the independence of such a Director to particular rigorous review. In addition, such a Director will also seek approval for his continued appointment as an Independent Director under a two-tier unitholders' vote in a general meeting.

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 FY2020, 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.

**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.

# CORPORATE GOVERNANCE

**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 future.

**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 the CEO is Ms. Wang Qiu. In FY2020, Mr. Li Wen served as CEO for the period from 1 January 2020 to 12 March 2020. Mr. Li Wen resigned as CEO and had relinquished his role on 12 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 ensure 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 75 and 76 of this Annual Report. A summary of the NC's key responsibilities includes:

- making recommendations to the Board on the review of succession plans for Directors, particularly the Chairman, the CEO and other key management personnel;
- 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;
- making recommendations to the Board on the review of training and professional development programs for the Board and its Directors; and
- 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 FY2020.

For FY2020, 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 FY2020.

### **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.

# CORPORATE GOVERNANCE

**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.

Rule 210(5)(d) of the Listing Manual of the SGX-ST also sets out circumstances under which a director will not be independent. In particular, pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, which will come into effect on 1 January 2022, a director will not be independent if, *inter alia*, he has been a director for an aggregate period of more than nine years and his continued appointment as an independent director has not been sought and approved in separate resolutions by certain classes of unitholders (a "two-tier unitholders' vote"). There is currently no Independent Director who has served on the Board for more than nine years. In the event that any Independent Director has served on the Board for an aggregate period of nine years or more, the NC will subject the independence of such a Director to particular rigorous review. In addition, such a Director will also seek approval for his continued appointment as an Independent Director under a two-tier unitholders' vote in a general meeting.

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 FY2020, 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.

**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 50 and 51 of this Annual Report while their unitholding in DRT and its related corporations as at FY2020 is found on page 102.

### 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 75 and 76 of this Annual Report.

The NC has 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 FY2020, 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 FY2020, 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 76 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. No Director or member of the Remuneration Committee is involved in deciding his or her own remuneration.

**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 FY2020.

**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 76 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 2021 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.



# CORPORATE GOVERNANCE

## 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 incentive.

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 FY2020, 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 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, as well as roles and responsibilities. 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 64 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, value creation 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 (\$)
Mr. Zhang Zhencheng	-	-	120,000	-
Mr. Zhang Zhongming	-	-	120,000	-
Dr. Cao Yong	-	-	120,000	-
Mr. Sun Shu	-	-	120,000	-
Mr. Tan Huay Lim	-	-	120,000	-

## CORPORATE GOVERNANCE

Name of key management personnel	Base/ Fixed Salary and Statutory Contributions (%)	Variable or Performance-Related Income/Bonuses (%)	Benefits-in-Kind (%)
<b>Above \$250,000 to \$500,000</b>			
Li Wen <sup>(1)</sup> , CEO (for the period from 1 January 2020 to 12 March 2020)	100	–	–
Wang Qiu, CEO (for the period from 13 March 2020 to 31 December 2020)	100	–	–
Ng Mun Fai, CFO	86	14	N.M.
Lu Zhiqi, General Manager of Investment Division	89	11	–
<b>Total for CEO and Key Officers</b>		<b>\$896,000</b>	

<sup>(1)</sup> Mr. Li Wen resigned as CEO of the Trustee-Manager and relinquished his role on 12 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. 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, with the quantum being disclosed in the table above and the basis disclosed on page 63, 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 FY2020. 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 FY2020. 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 FY2020.

#### **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.



## 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 has adopted the Enterprise Risk Assessment and Assurance Framework ("ERAAF"), which 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 79 to 81 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, 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 auditor (Ernst & Young Advisory Pte. Ltd.) conduct reviews and audit 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.

**Letter of assurance:** On a quarterly basis, the Board receives assurance from the CEO, CFO, General Manager of Investment Division and other key management personnel who are responsible 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 2020.

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.

# CORPORATE GOVERNANCE

## 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 50 and 51 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 was 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 103 to 106 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 of the SGX-ST 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 FY2020 was \$398,000. The aggregate amount of non-audit fees paid and payable to the external auditors in FY2020 was \$158,000.

**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](mailto: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. There was no whistleblowing report received in FY2020.

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.

## 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 103 to 106 of this Annual Report.

During FY2020, the ARC has reviewed the quarterly business updates, the half-yearly 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) rental rebates granted to interested persons; (ii) the acquisition of Shunde Metro Mall and Tanbei Metro Mall including interested person contracts involved in the acquisition; (iii) the contract relating to the customer relationship management software system; (iv) the lease agreement entered into to take over the retail space under the lease of Superior City Department Store at Ocean Metro Mall; and (v) the entry into of the property management agreements and commercial management agreements for Shiqi Metro Mall, Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour), reviewed the instruments for the new loan arrangement entered into by Dasin Retail Trust, nominated and recommended the re-election of the external auditors, reviewed the adequacy, effectiveness and independence of the internal and external auditors, evaluated the performance and approved the remuneration of the internal auditors of the Trust, and reviewed and recommended the appointment of valuer for the purpose of the issuance of financial statements. 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 and concurs with the Board's 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 2020.

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 FY2020 were as follows: -

#### Going Concern Basis of Preparation of Financial Statements

The application of the going concern basis for the preparation of the financial statements requires the Directors to consider whether

the Group can meet its payment obligations as and when they fall due in the foreseeable future.

As at 31 December 2020, the Group and the Trust were in a negative working capital position with net current liabilities of \$406,694,000 and \$481,648,000 respectively. This was mainly due to classification of \$242,000,000 and US\$134,286,000 (\$177,483,000) offshore syndicated term loan equivalent to \$419,483,000 in aggregate of the Group and the Trust, and RMB386,000,000 (\$78,143,000) onshore syndicated term loan of the Group, in current liabilities, which are due and payable in July 2021.

The management advised the directors and the ARC that they are in active and advanced stage of discussion with the lenders to refinance the abovementioned loans. The management reported and assured the directors and the ARC that the refinancing of the loans is achievable within the stipulated timeframes based on the indicative terms and a realistic timetable discussed with various lenders.

The ARC also held discussion with the external auditors on their audit procedures to test the cashflow forecast. The ARC also noted the assessment of the ability of the Group and the Trust to continue as a going concern by the external auditors and the relevant disclosures made in Note 2.1 *Going concern* to the financial statements.

In view of the foregoing, the ARC is of the view that the Group and the Trust are a going concern and the financial statements of the Group and the Trust have been drawn up on this basis.



# CORPORATE GOVERNANCE

## Accounting for Shunde and Tanbei Acquisition

The Trust acquired Shunde Metro Mall and Tanbei Metro Mall together with the rental management company of Shunde Metro Mall (the "Shunde and Tanbei Acquisition") via the acquisition of all the equity interests in Singapore Zhi Xin Commercial Holdings Pte. Ltd. which was the ultimate holding company of Shunde Metro Mall and Tanbei Metro Mall and the rental management company of Shunde Metro Mall in July 2020.

The Management assessed that the Shunde and Tanbei 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 reviewed 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 5 December 2019 and announcements dated 13 November 2019 and 8 July 2020 relating to the Shunde and Tanbei 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 Shunde Metro Mall and Tanbei 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 DRT obtained

control of Shunde Metro Mall and Tanbei 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 fair value of the investment properties based on their existing use.

The ARC reviewed the valuation reports and held discussions with the Management 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 noted that the valuation reports have been prepared in accordance with the International Valuation Standards ("IVS") and the Royal Institution of Chartered Surveyors' RICS Valuation – Global Standards and have considered the impact of COVID-19.

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 its retail malls in China. During the year, EY conducted a review of the internal controls of Singapore corporate office. In light of the COVID-19 pandemic, the four-year plan for the retail malls in China has been extended for one year to 2023 due to travel restrictions. The Trust also has two qualified and experienced internal auditors, who are based in the PRC. During 2020 and up to the date of this report, the internal auditors of the Trust have completed the audit of the internal controls of Xiaolan Metro Mall, Doumen Metro Mall as well as the two newly acquired Shunde Metro Mall and Tanbei Metro Mall. In addition, the internal auditors of the Trust audited the interested person transactions twice annually and conducted three internal audits of the rental rebates granted to third parties and interested persons during the year. EY and the internal auditors of the Trust report directly to the ARC and administratively to the CFO. The ARC approved the hiring, evaluation, and compensation of EY and the internal auditors based in the PRC put in place by the Trust. EY and the internal auditors of the Trust audit the malls of the Trust separately and independently. EY and the internal auditors of the Trust submit their internal audit plans to the ARC separately for approval at the beginning of each financial year. The role of EY and the internal auditors of the Trust 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.

EY and the internal auditors of the Trust have confirmed their independence to the ARC.

**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 the internal auditors of the Trust with the assistance of the internal auditors of the Sponsor are guided by EY's global internal auditing methodology and the PRC's internal auditing standards, 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 EY internal audit team is led by a partner with significant experience performing internal audit services, and supported by dedicated team members with relevant qualification and experience. The internal auditors of the Trust are qualified internal auditors in the PRC.

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. The 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 independent, effective and adequately resourced for FY2020.

**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 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.

# CORPORATE GOVERNANCE

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 of the SGX-ST. 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 29 June 2020 by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"), 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](http://www.dasintrust.com).

**AGM 2021:** In view of the prevailing COVID-19 situation in Singapore, the forthcoming 4th Annual General Meeting ("AGM 2021") will be held on 29 April 2021 by way of electronic means pursuant to the Order.

Alternative arrangements relating to attendance at the AGM 2021

via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions relating to the AGM 2021 in advance of the meeting, addressing of substantial and relevant questions prior to, or at the AGM 2021 and voting by appointing the chairman of the meeting as proxy at the AGM 2021, are set out in the Trust's announcement dated 14 April 2021.

An electronic copy of this Annual Report for FY2020 has been published on the Trust's website at [www.dasintrust.com](http://www.dasintrust.com) and on the SGXNET. In view of the prevailing COVID-19 situation, the Annual Report, Notice of AGM and Proxy form will be made available to unitholders solely by electronic means via publication on the Trust's website and on SGXNET.

**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 on an ongoing basis 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](mailto: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. Unitholders are actively encouraged to communicate their views and queries to DRT and the Trustee-Manager.

### **Disclosure of information:**

All material information including DRT's half-year and full-year 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](http://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 half-year and full-year 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 ongoing 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 84 to 99 discloses its strategy and key areas of focus in relation to the management of stakeholder relationship in FY2020.

**Current corporate website:**

DRT maintains a current corporate website ([www.dasintrust.com](http://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 FY2020 are set out on pages 189 and 190 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.

# 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 73 to 75 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 71 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 121 and 122 of this Annual Report. The fees paid/payable to the Trustee-Manager out of the Trust Property for FY2020 are disclosed in page 161 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.

# 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<sup>(1)</sup> 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<sup>(2)</sup>.

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<sup>(3)</sup> 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.

<sup>(1)</sup> Mr. Zhang Kaicheng, Mr. Zhang Jiucheng and Mr. Zhang Zhongming, and each a "Zhang Vendor".

<sup>(2)</sup> Please refer to Appendix III.

<sup>(3)</sup> 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<sup>(4)</sup>.

### 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 189 and 190 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 75 and 76;
- (b) Remuneration Committee is on page 76; and
- (c) Audit and Risk Committee is on pages 103 to 106.

### 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 Officer;
- (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) c. 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 77 and 78 of this Annual Report for definition of "Relevant Asset".

# 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.
- 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;
  - (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 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.

# 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

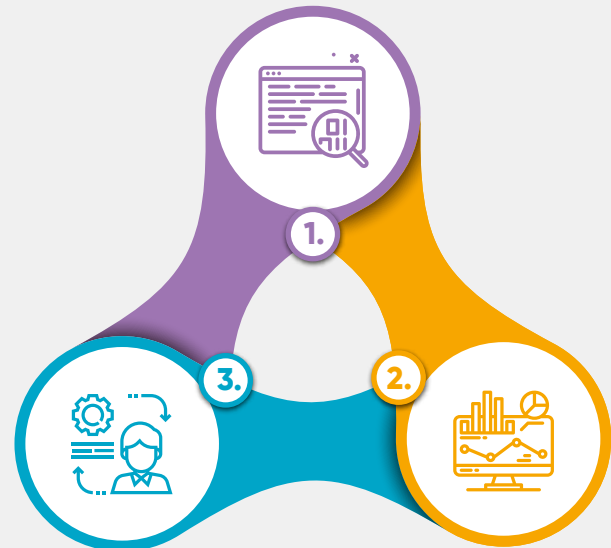
Dasin Retail Trust (the "Trust" or "DRT") and its subsidiaries (collectively, the "DRT Group") practise a proactive approach towards risk management, which enables the DRT Group to manage risks in a systematic and consistent manner. Under DRT Group's Enterprise Risk Management ("ERM") Framework, the 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 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. The internal audit performed by EY and the internal auditors of the Trust are set out on page 68 of this Annual Report. 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.

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.

## ENTERPRISE RISK MANAGEMENT FRAMEWORK



### 1. IDENTIFY AND ANALYSE



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

### 2. MEASURE AND ASSESS



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

### 3. MONITOR AND REPORT



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

# ENTERPRISE RISK MANAGEMENT

## 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:

### 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.

Loans are obtained prior to commencement of acquisition of assets and refinanced before their maturity dates.

### 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 2020, the Trustee-Manager has hedged 34% interest rate exposure of its offshore debt.

### 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 ensure 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 monthly basis, a review of 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, the 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 the Property Manager. The Commercial Manager and the 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.

# INVESTOR RELATIONS

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

The Trust's financial results, announcements, presentation slides, annual reports as well as minutes of annual general meetings (AGMs) and extraordinary general meetings (EGMs) are published on the Trust's website at [www.dasintrust.com](http://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.

Throughout 2020, the Trustee-Manager attended investor meetings and participated in a number of conferences and roadshows in Singapore, Beijing and Shanghai. The Trust also supported investor education through its participation in the annual REITs Symposium for the third year.

As a result of the Trustee Manager's proactive investor relations efforts, two research houses, DBS Group Research and iFast Financial, initiated research coverage on the Trust in 2020. As at 31 December 2020, the Trust is covered by a total of four research houses including DBS Group Research, iFAST Financial, Philips Securities Research and SooChow CSSD Capital Markets (Asia).

## FINANCIAL CALENDAR

Event	FY2020	FY2021 (Tentative)
1Q business update	18 May 2020	May 2021
Half-year results announcement	13 August 2020	August 2021
Payment of first half distribution	28 September 2020	September 2021
3Q business update	25 November 2020	November 2021
Full-year results announcement	26 February 2021	February 2022
Payment of second half distribution	30 March 2021	March 2022
Annual General Meeting	29 April 2021	April 2022

## DASIN RETAIL TRUST UNIT PRICE PERFORMANCE

	FY2019	FY2020
Opening price on first trading day of the year	S\$0.855	S\$0.840
Highest Unit Price	S\$0.900	S\$0.860
Lowest Unit Price	S\$0.825	S\$0.745
Closing price on last trading day of the year	S\$0.835	S\$0.785
Trading volume ('000 units)	51,471	89,462
Market Capitalisation (\$ million)	S\$540.27 <sup>(1)</sup>	S\$610.32 <sup>(2)</sup>

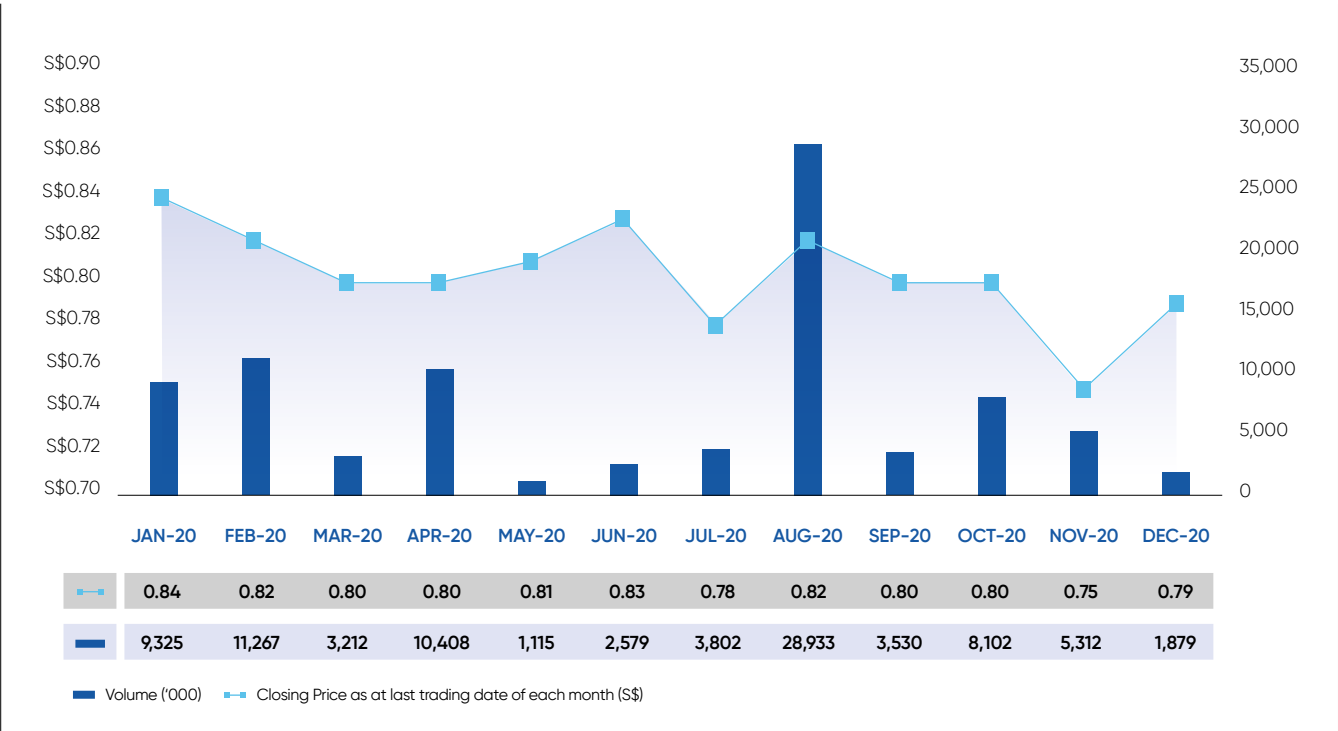
### NOTES:

<sup>(1)</sup> Based on closing price of \$0.835 as at 31 December 2019.

<sup>(2)</sup> Based on closing price of \$0.785 as at 31 December 2020.



**DASIN RETAIL TRUST MONTHLY TRADING PERFORMANCE IN FY2020**



**AWARD**

As testament to the management’s continuous commitment and effort to maximise shareholders’ value and return, DRT was conferred the “Best Returns to Shareholders” award under the REITs and Business Trusts category at the Centurion Club 2020 Corporate Awards presented by The Edge Singapore. This award is presented to the REIT or Business Trust with the highest returns to shareholders over the past three years.



by Centurion Club 2020

# SUSTAINABILITY REPORT

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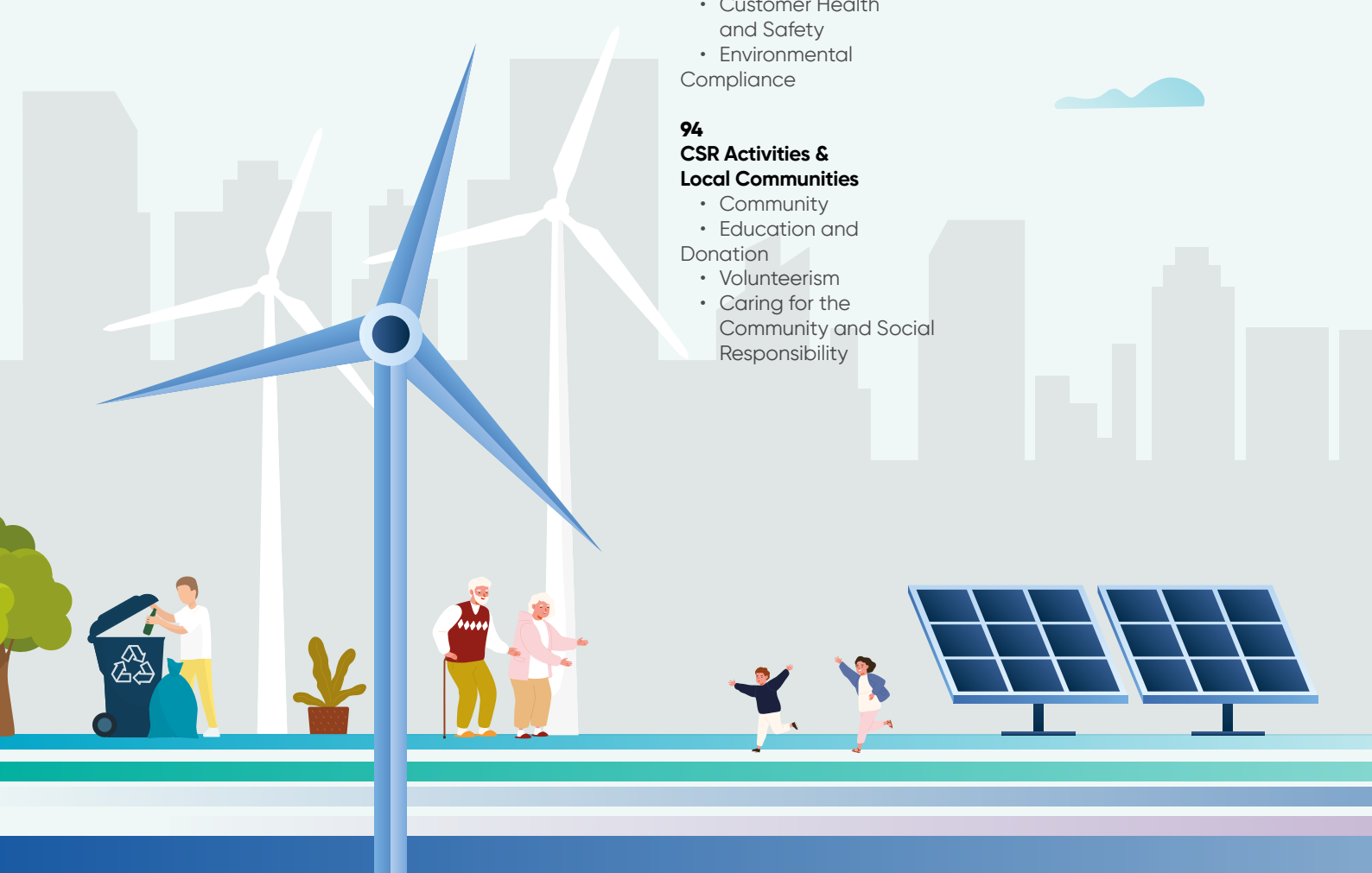
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**In addition to maintaining a long-term sustainable cash flow with the goal of maximising investor returns, the Board, together with the management, also seeks to manage relevant ESG risks and opportunities across the Trust's assets, to create long-term value for our stakeholders.**

### BOARD STATEMENT

The Board of Directors (the "Board") at Dasin Retail Trust (the "Trust") is pleased to present the Trust's fourth 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 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 ESG 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 Greater Bay Area, it also contributes to the sustainability development of the region through the provision of employment and business opportunities.

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.

The SSC is supported by the Sustainability Task Force ("STF") which undertakes the role of implementing and executing sustainable

policies and procedures to drive sustainability programmes across the organisation. The STF comprises representatives across business functions and divisions of the Trustee-Manager and the Sponsor.

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 performance in FY2020 and its targets for the upcoming year.

The Board is committed to continuously improve the Report to address stakeholders' interests as well as to enhance accountability and transparency.

### BOARD OF DIRECTORS

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



# SUSTAINABILITY REPORT

## SUSTAINABILITY REPORT OVERVIEW

### About this Report

This is DRT’s fourth report on its approach and efforts towards sustainability and ESG performance for the financial year ended 31 December 2020.

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](mailto:ir@dasintrust.com).

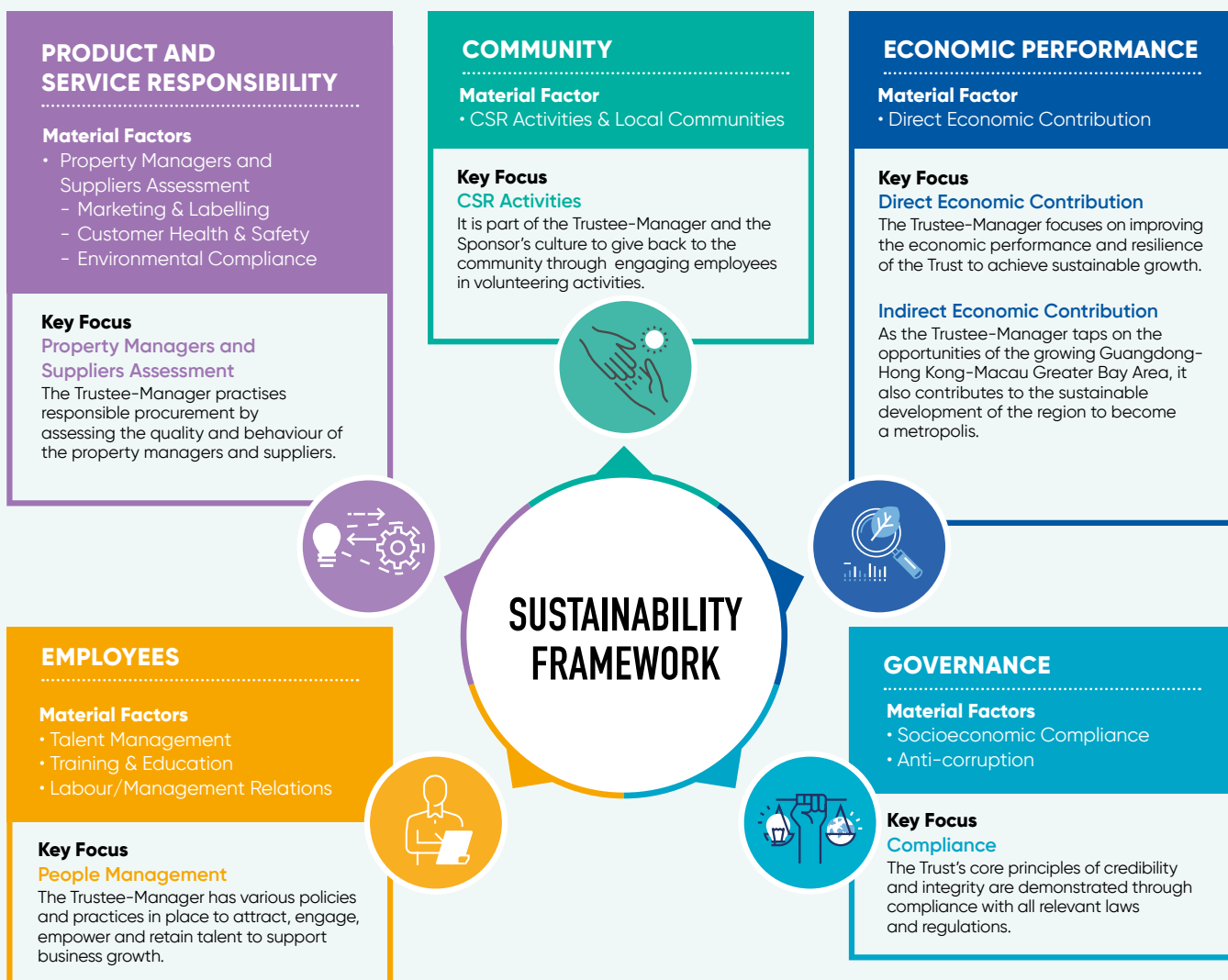
The Report and additional corporate information are also available on the Trust’s website [www.dasintrust.com](http://www.dasintrust.com).

### Materiality Assessment

As part of the sustainable development of the Trust, 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 FY2020 remained relevant as those identified in FY2019.

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.





## Stakeholder Engagement




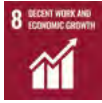

The Trustee-Manager, Property Manager and the Sponsor engage with their internal and external stakeholders regularly through various channels to understand the stakeholders' expectations and concerns. The table below details the engagement activities with the key stakeholders.

Key stakeholders	Engagement Methods	Frequency	Key Topics of Interest
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Half-yearly board meeting</li> <li>Regular reporting to the board</li> </ul>	<ul style="list-style-type: none"> <li>Half-yearly</li> <li>Regular</li> </ul>	<ul style="list-style-type: none"> <li>Sound corporate governance practices</li> <li>Alignment of sustainability with business strategy</li> <li>Transparent reporting</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>An Office Automation System used to make timely important announcements to employees</li> <li>Year End Staff Summary Meeting</li> <li>Recreational and team cohesion activities</li> <li>Training Programmes</li> <li>Employee Handbook</li> </ul>	<ul style="list-style-type: none"> <li>Ad hoc</li> <li>Annual</li> <li>Regular</li> <li>Regular</li> <li>Active</li> </ul>	<ul style="list-style-type: none"> <li>Equitable remuneration</li> <li>Fair and competitive employment practices and policies</li> <li>Safe and healthy work environment</li> <li>Focus on employee development and well-being</li> </ul>
<b>Investment Community (Investors, analysts, media)</b>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Extraordinary General Meeting</li> <li>Annual Report</li> <li>Press announcements and SGX filings</li> <li>Contact channels with the Investor Relations team</li> <li>One-on-one meetings / roadshows</li> <li>Site visits for investors / analysts</li> <li>Website updates</li> </ul>	<ul style="list-style-type: none"> <li>Annual</li> <li>Ad hoc</li> <li>Annual</li> <li>Regular</li> <li>Ad hoc</li> <li>Regular</li> <li>Ad hoc</li> <li>Regular</li> </ul>	<ul style="list-style-type: none"> <li>Sustain profitability and enhance investor returns</li> <li>Transparent reporting</li> <li>Sound corporate governance practices</li> <li>Active portfolio management</li> </ul>
<b>Property Managers</b>	<ul style="list-style-type: none"> <li>Regular and random audits and interviews</li> </ul>	<ul style="list-style-type: none"> <li>Regular</li> </ul>	<ul style="list-style-type: none"> <li>Regular and punctual payments upon enlistment of service</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Regular audits and interviews</li> </ul>	<ul style="list-style-type: none"> <li>Regular</li> </ul>	<ul style="list-style-type: none"> <li>Equitable treatment of business partners</li> <li>Regular and punctual payments upon enlistment of service</li> </ul>
<b>Tenants</b>	<ul style="list-style-type: none"> <li>Annual Meetings for tenants</li> <li>Tenant activities at the malls such as the annual Production Safety Month</li> </ul>	<ul style="list-style-type: none"> <li>Annual</li> <li>Regular</li> </ul>	<ul style="list-style-type: none"> <li>Safety and security of the malls</li> <li>Competitive rent</li> <li>Responsiveness to tenant requests and feedback</li> </ul>
<b>Shoppers</b>	<ul style="list-style-type: none"> <li>Customer Service Centre</li> <li>Activities at the malls</li> </ul>	<ul style="list-style-type: none"> <li>Ad hoc</li> <li>Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>Shopping Experience</li> <li>Quality of Service</li> <li>Safety and hygiene of the malls</li> </ul>
<b>Government and regulators</b>	<ul style="list-style-type: none"> <li>Mandatory reporting as required for compliance purpose</li> </ul>	<ul style="list-style-type: none"> <li>Regular</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with local laws and regulations</li> </ul>
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>Various volunteer activities as described in the section "CSR Activities &amp; Local Communities Pages 94-96"</li> </ul>	<ul style="list-style-type: none"> <li>Regular</li> </ul>	<ul style="list-style-type: none"> <li>Contributions to local communities</li> <li>Responsible and ethical business practices</li> </ul>

# SUSTAINABILITY REPORT

## Sustainability Development Goals (SDGs)

The Trustee-Manager is supportive of the 2030 Sustainability 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"> <li>CSR Activities and Local Communities</li> </ul>	  	<p>The Trustee-Manager and 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"> <li>Talent Management</li> <li>Training and Education</li> <li>Labour/ Management Relations</li> </ul>		<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 (Investors, analysts, media)	<ul style="list-style-type: none"> <li>Direct Economic Contribution</li> </ul>		<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>

## 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 101 to 185 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 54 to 78 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.

In 2020, 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

## SOCIOECONOMIC COMPLIANCE

### CREDIBILITY



### INTEGRITY



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. During the year, training on key changes to the SGX listing rules was conducted.

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 2020 TARGETS

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

### 2021 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

# SUSTAINABILITY REPORT

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.

## 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 wellbeing initiatives, employee feedback channels and volunteer activities.

The Trustee-Manager has a set of Human Resource ("HR") policies which adheres strictly to relevant labour laws and regulations in Singapore as well as China. 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. 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, were organised. However, these activities and celebrations were put on hold in FY2020 due to COVID-19 restrictions.

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.



### 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	Example of Training Topics
Professional	<ul style="list-style-type: none"> <li>Valuation training</li> <li>Macroeconomic analysis and RMB exchange rate products</li> <li>Compete for excellent training</li> </ul>
Law and Compliance	<ul style="list-style-type: none"> <li>Account management and capital use supervision</li> <li>Risk response and prevention of obtaining fraudulent vouchers or VAT invoices</li> </ul>
Finance	<ul style="list-style-type: none"> <li>Corporate income tax settlement and tax promotion</li> <li>Fund management and control training</li> <li>Monthly and quarterly reporting requirements</li> </ul>
Human Resources	<ul style="list-style-type: none"> <li>Commercial supplementary medical insurance</li> <li>Commercial supplementary medical insurance operation procedures</li> </ul>
Others	<ul style="list-style-type: none"> <li>New employee orientation</li> </ul>

### Labour/Management Relations

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

This automated system allows for dissemination of important messages such as company

policies as well as operational changes to employees in a timely manner.

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.

### PERFORMANCE AGAINST 2020 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 put on hold in FY2020 due to COVID-19 restrictions

### 2021 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

# SUSTAINABILITY REPORT

## Products and Service Responsibility

### Property Managers and Suppliers Social 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 third party 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 for 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 2020, none of the suppliers in partnerships with the Trust were added to the "red list" while three were added to the "blacklist"

### 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 matters. Due to the impact of the COVID-19 pandemic in 2020 and to ensure the safety of our customers and employees, we shortened the shopping malls' operating hours from 26 January and only kept essential services like supermarkets and pharmacies open. This continued for some time until the resumption of regular operating hours on 24 February.

At the same time, consumers were required to wear masks, present their health codes when asked and subjected to a strict system of body temperature testing when entering the malls. Retailers were required to have items such as alcohol disinfectants, hand sanitisers and clinical thermometers ready on hand and to disinfect their premises at the same level of frequency as the malls to ensure compliance with hygiene



Temperature screening points at the entrances of the malls for COVID-19 prevention and control

and safety standards. Meanwhile, slogans related to personal safety were posted in conspicuous locations such as mall passageways, entrances and exits to increase customers' awareness of how to protect themselves.

In addition to the pandemic measures, fire safety is still a key area related to customer safety. After the shopping malls resumed operations, property managers continued to conduct emergency drills for various situations in the shopping malls to ensure that emergencies are dealt with, in the fastest and most reasonable manner, including drills for fire emergencies, terrorist attacks, gas leaks, elevator breakdowns with trapped passengers, flooding, power outages, escalator incidents and Ferris wheel emergencies.

### 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 the cleaning services 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



Daily cleaning services in the mall



Dasin Shunde Metro Mall won second place in Business Skills at the 2020 Daliang Sub-district "119" Fire Safety Month event

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 cleaning fees.

In addition, the Trust has also engaged a company specialising 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.

During the COVID-19 outbreak, the property managers formulated a detailed "Work Guidelines for the Prevention of the Coronavirus".

The cleaning company is required to disinfect public facilities and equipment accessible to customers every two hours. This includes doors and handles at the main entrances of shopping malls, atrium handrails, sitting areas, elevator doors, digital panel buttons, escalator handrails, toilet bowls and sinks. The frequency of disinfection is increased during peak hours.

### 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



Daily disinfection services for public facilities during the pandemic



# SUSTAINABILITY REPORT

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.

Property managers also spread the concept of environmental protection through a series of public welfare events. For example, on 28 March, Shiqi Metro Mall organised the "E2. Green Earth 2020 Earth Hour" online event, advocating for the city population to support a green and environmentally friendly life by switching off their lights for an hour at 8 pm.

## Community

### CSR Activities & Local Communities

During the pandemic, Dasin Retail Trust and its sponsor company were proactively engaged in fulfilling their social responsibility through prevention and control measures and support.

In January 2020, Director of Dasin Real Estate, Mr Zhang Jiucheng, donated 5,000 masks to the pandemic prevention station at Dongfeng Town.

In February, Doumen Metro Mall donated 40 boxes of eight-treasure porridge and 120 boxes of mineral water to the Jing'an Town pandemic prevention and control headquarters; Dasin Food Co. launched the "Love at the Frontline" campaign to support the Zhongshan medical teams in Hubei and donated 100 boxes of quick-freeze buns to them.

In March, Dasin Xinhe Supermarket launched the "Love at the Frontline" campaign to support the Southern Medical University Nanhai Hospital medical team in Hubei and donated 20 boxes of mineral water and 5 boxes of eight-treasure porridge.

In April, the various malls of Dasin launched a thematic campaign called "Tribute to Our Pandemic Heroes" and collaborated with merchants in the malls to send out exclusive gift packages as a tribute to the valiant heroes fighting the pandemic.

During the pandemic, Zhongshan Dasin Real Estate Co., Ltd., the sponsor of Dasin Retail Trust, was awarded the title of "Socially Responsible and Loving Contributor" by the Shiqi District Red Cross and Shiqi District COVID-19 prevention and control unit.

### Education and Donations

In 2020, Dasin Education City offered free classes to the public covering a wide variety of topics including subject knowledge, art, calligraphy, dance and basketball. There were 11 different classes to choose from and a total of 197 sessions were held, including creative dragon boat painting, creative face painting, 3D animal model painting, creative clay work, garden tours, Mid-Autumn Festival lantern-making and canvas bag art.



## PERFORMANCE AGAINST 2020 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

## 2021 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





2020 Shiqi District Charity Run



Dasin Public Welfare Service volunteer during home visit



Dasin Public Welfare Service volunteer during home visit

In 2020, Dasin 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, donating more than RMB 200,000 in support of the development of philanthropy in Zhongshan. Dasin Holdings was awarded the accolade of "Kindness Enterprise of 2020 Shiqi District Charity Parade". Xiaolan Metro Mall participated in the Xiaolan Town Charity Parade and donated RMB 5,000. Shengxing Co. participated in the 2020 Dongsheng Town Charity Parade and donated RMB 150,000.

Many families run into financial difficulties due to major illnesses that had befallen their family members. In 2020, Dasin continued to support and provide assistance to nearly 40 people and families in need through donations and provision

of social resources. More than RMB 120,000 was donated. Further care and support was rendered through activities, home visits during festivals, provision of social assistance information and more.

#### Volunteerism

Since its establishment in 2016, the Dasin Public Welfare Service Volunteer Team 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, dysfunctional families, as well as children.

In 2020, Dasin volunteers continued running the "Child Care Program" and made monthly home visits to

children and teenagers in need of care from neighbouring areas to provide them with support and care over a period of time. Through communicating with them and finding out more about their current situation and getting a deeper understanding of their challenges and difficulties, the volunteers would then discuss with them to find solutions to their problems. Dasin volunteers accompany these kids on their life journeys with love and honesty, bringing them hope, and sending them care and warmth.

# SUSTAINABILITY REPORT



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



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

## Caring for the Community

Even while pursuing rapid development, Dasin Metro Mall never forgets its social responsibility. In 2020, staff from the malls under Dasin visited neighbouring communities many times to check in on the underprivileged families. They would bring with them holiday gifts and blessings and spend time with them on festivals such as Spring Festival and Mid-Autumn Festival. Dasin Metro Mall's "Trip for Caring" activity has been running for five consecutive years. During China's important and special traditional festivals such as Mid-Autumn Festival and Spring Festival, the Dasin team would send out supplies and greetings to those in need of care and compassion. In 2020, Dasin Public Welfare Service Center, in cooperation with the retailers in Dasin Metro Malls, carried out more than 10 festival volunteering activities in the Zhongshan urban area and various towns, and sent out holiday supplies and greetings to more than 600 people in need of care through interactive DIY events, home visits and other activities. These activities have been recognised and supported by all sectors of society and government departments.

Voluntary blood donation embodies a noble and altruistic dedication towards charity and the saving of lives. In October 2020, the Dasin Business Circle Party Committee and Dasin Public Welfare Service Centre launched a voluntary blood donation drive and got party members to take the lead in mobilising Dasin personnel and spurring the public into joining in.

To help disabled people to get out of their homes and integrate into society, the Dasin Public Welfare Service Centre, in cooperation with the Shiqi Minsheng Social Worker Station and the Shiqi Sub District Volunteer Service Team for the Disabled, organised an outing in November 2020 and brought 10 families with disabled members

out on an assisted tour, to provide the disabled participants with spiritual and cultural nourishment, and to encourage them to actively participate in social activities.

To alleviate the inconvenience of medical treatment during the pandemic, Dasin Liantang Outpatient Treatment Centre organised nearly 60 sessions of free clinic consultations, providing professional health advice to local citizens, helping them to increase their knowledge about health issues and management, and supporting them to maintain a positive and optimistic attitude during the pandemic, all the time ensuring that the COVID-19 prevention and control steps and measures were soundly in place.

### PERFORMANCE AGAINST 2020 TARGETS

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

### 2021 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.
<b>General Disclosures</b>		
<b>Organisational Profile</b>		
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 49
102-6	Markets served	China
102-7	Scale of the organisation	Talent Management, Page 90 Net Property Income, Page 20 Financial Statements, Pages 101 to 185
102-8	Information on employees and other workers	Talent Management, Page 90
102-9	Supply chain	Property Managers and Suppliers Assessment, Page 92
102-10	Significant changes to the organisation and its supply chain	There were no significant changes to the organisation and its supply chain in FY2020.
102-11	Precautionary Principle or approach	The Trust does not specifically address the Precautionary Principle
102-12	External initiatives	CSR Activities & Local Communities, Pages 94 to 96
102-13	Membership of associations	Not applicable
<b>Strategy</b>		
102-14	Statement from senior decision-maker	Board Statement, Page 85
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards, and norms of behaviour	Inside front cover About Dasin Retail Trust, Page 1 Corporate Governance, Pages 54 to 78 Enterprise Risk Management, Pages 79 to 81
<b>Governance</b>		
102-18	Governance structure	Board Statement, Page 85
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	Stakeholders Engagement, Page 87
102-41	Collective bargaining agreements	Not applicable
102-42	Identifying and selecting stakeholders	Stakeholders Engagement, Page 87 Materiality Assessment, Page 86
102-43	Approach to stakeholder engagement	Stakeholders Engagement, Page 87 Materiality Assessment, Page 86
102-44	Key topics and concerns raised	Stakeholders Engagement, Page 87 Materiality Assessment, Page 86

# SUSTAINABILITY REPORT

## GRI CONTENT INDEX

GRI Standards		Details/Notes/Page no.
<b>General Disclosures</b>		
<b>Reporting Practice</b>		
102-45	Entities included in the consolidated financial statements	Refer to Annual Report 2020, Page 49
102-46	Defining report content and topic Boundaries	About this Report, Page 86
102-47	List of material topics	Material Assessment, Page 86
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Not applicable
102-50	Reporting period	About this Report, Page 86
102-51	Date of the most recent report	March 2020
102-52	Reporting cycle	About this Report, Page 86
102-53	Contact point for questions regarding the report	About this Report, Page 86
102-54	Claims of reporting in accordance with GRI Standards	About this Report, Page 86 Board Statement, Page 85
102-55	GRI content index	GRI content index, Pages 97 to 99
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.
<b>Management Approach</b>		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> <li>• Direct Economic Contribution, Page 89</li> <li>• Anti-Corruption, Page 89</li> <li>• Socioeconomic Compliance, Page 89</li> <li>• Talent Management, Page 90</li> <li>• Training and Education, Page 91</li> <li>• Labour/Management Relations, Page 91</li> <li>• Property Managers and Suppliers Assessment, Page 92</li> <li>• Marketing and Labelling, Page 92</li> <li>• Customer Health and Safety, Pages 92 to 93</li> <li>• Environmental Compliance, Pages 93 to 94</li> <li>• CSR Activities and Local Communities, Pages 94 to 96</li> </ul>
103-2	The management approach and its components	
103-3	Evaluation of the management approach	



GRI Standards		Details/Notes/Page no.	
<b>Specific Disclosures</b>			
<b>Economic</b>			
Economic Performance	201-1	Direct economic value generated and distributed	Direct Economic Contribution, Page 89 Financial Statements, Pages 101 to 185
Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	Anti-Corruption, Page 89
<b>Environmental</b>			
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Environmental Compliance, Pages 93 to 94
<b>Social</b>			
Employment	401-2	Benefits provided to full time employees that are not provided to temporary or part time employees	Talent Management, Page 90
Training and Education	404-2	Programmes for upgrading employee skills and career development programmes	Training and Education, Page 91
Labour/ Management Relations	402-1	Minimum notice periods regarding operational changes	Labour/Management Relations, Page 91
Marketing and Labelling	417-2	Incidents of non-compliance concerning product and service information and labelling	Marketing and Labelling, Page 92
	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 92
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 92 to 93
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programmes	CSR Activities and Local Communities, Pages 94 to 96
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Socioeconomic Compliance, Page 89

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

# 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

# 101

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# 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 2020.

## 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
<b>Interest in the Trust (Units)</b>				
Mr. Zhang Zhencheng	–	–	387,802,628	<b>415,368,165</b>
Mr. Zhang Zhongming	–	–	3,966,200	<b>3,966,200</b>
Dr. Cao Yong	–	–	–	–
Mr. Sun Shu	–	–	–	–
Mr. Tan Huay Lim	–	–	312,500	<b>312,500</b>

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 2021.



# REPORT OF THE TRUSTEE-MANAGER OF DASIN RETAIL TRUST

## DIRECTORS' INTERESTS (CONT'D)

During the year ended 31 December 2020, in accordance with the Trust Deed, the Trust issued/issuable 7,655,578 (2019: 5,351,752) units of the Trust with carrying values totalling \$6,100,000 (2019: \$4,578,000) in satisfaction for payment of the trustee fee and management fee, and 2,920,258 (2019: 2,016,443) units with carrying values of \$2,278,000 (2019: \$1,686,000) as an acquisition fee in relation to the acquisition of Shunde Metro Mall and Tanbei Metro Mall (2019: Doumen Metro Mall) as disclosed in notes 15 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.

During the year ended 31 December 2020, Aqua Wealth Holdings Limited, an indirect wholly-owned subsidiary of Zhang Family Trust, of which Mr. Zhang Zhencheng is the settlor, subscribed 38,461,000 (2019: 11,961,800) units of the Trust with carrying value totalling \$30,000,000 (2019: \$10,000,000) as part of the private placement proceeds raised on 6 July 2020 (2019: 11 September 2019) in relation to the acquisition of Shunde Metro Mall and Tanbei Metro Mall (2019: Doumen Metro Mall) as disclosed in notes 15 and 29 to the financial statements.

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 four meetings for the financial year ended 31 December 2020. 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.

# 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) 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;

# REPORT OF THE TRUSTEE-MANAGER OF DASIN RETAIL TRUST

## 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);

# 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

12 April 2021



# 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 114 to 185 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 2020, 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

12 April 2021

# 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

12 April 2021

# INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF DASIN RETAIL TRUST

For the financial year ended 31 December 2020

## 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 2020, and 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 114 to 185.

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 2020 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 Singapore Standards on Auditing ("SSAs"). 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.

### Material uncertainty related to going concern

We draw attention to Note 2.1 *Going concern* to the financial statements, which indicates that as at 31 December 2020, the Group and the Trust were in a negative working capital position with net current liabilities of \$406,694,000 and \$481,648,000 respectively. These conditions, along with other matters as set forth in Note 2.1 *Going concern*, indicate that a material uncertainty exists that may cast significant doubt on the Group's and Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### 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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

# INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF DASIN RETAIL TRUST

For the financial year ended 31 December 2020

## Key audit matters

### Valuation of investment properties

The Group owns a portfolio of investment properties comprising 7 retail properties located in the People's Republic of China.

The investment properties represent the single largest category of assets on the Statement of Financial Position.

The Group has adopted the fair value model under IAS 40 *Investment Property* which requires all the investment properties to be measured at fair value.

The Group has engaged external independent valuers ("external valuers") to perform the fair value assessment of the investment properties.

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.

The external valuer has highlighted in their valuation reports that the outbreak of the Novel Coronavirus (COVID-19) has caused much disruption to economic activities around the world, including China. At the date of their reports, China's economy saw signs of gradual recovery and it is anticipated that disruption to business activities will steadily reduce. While the external valuers saw stability in both the market activities and sentiment in this market sector, they remain cautious due to uncertainty for the pace of global economic recovery in the midst of COVID-19. Accordingly, the external valuers recommend that the valuation of the property be kept under frequent review.

The valuation methods and the key assumptions used are disclosed in note 4 to the financial statements.

## How the scope of our audit responded to the key audit matters

We performed the following procedures, among others:

- 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 valuation specialist 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.

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.

We have also reviewed the adequacy and appropriateness of the disclosures made in the financial statements.



# INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF DASIN RETAIL TRUST

For the financial year ended 31 December 2020

## Key audit matters

### Accounting for acquisition of 100% equity interest in Singapore Zhi Xin Commercial Holdings Pte Ltd and its subsidiaries

During the year, the Trust completed the acquisition of 100% equity interest in Singapore Zhi Xin Commercial Holdings Pte Ltd and its subsidiaries for a total purchase consideration of \$65.1 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 \$127.3 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.

The acquisition accounting was significant to our audit due to:

- (a) the accounting policy adopted by the Group and the related quantitative significance; and
- (b) high degree of judgement exercised in respect of evaluation of the business rationale and substance of the transaction, which led to the recognition of the difference between the purchase consideration and fair value of net assets acquired in reserve within the consolidated statement of financial position.

Information on the acquisition is disclosed in note 29 of the financial statements.

## How the scope of our audit responded to the key audit matters

We performed the following audit procedures, among others:

- assessed the appropriateness of the judgement exercised surrounding the selection and 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.

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.

We have also assessed the appropriateness and the adequacy of the related disclosures made in the financial statements.

# INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF DASIN RETAIL TRUST

For the financial year ended 31 December 2020

## 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 SSAs 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 SSAs, 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 2020

## 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  
12 April 2021

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Note	GROUP		TRUST	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Non-current assets</b>					
Investment properties	4	2,345,729	1,831,173	-	-
Plant and equipment	5	365	197	-	-
Intangible assets	6	387	327	-	-
Interests in subsidiaries	7	-	-	901,568	684,441
Financial derivatives	8	-	26	-	26
		2,346,481	1,831,723	901,568	684,467
<b>Current assets</b>					
Trade and other receivables	9	20,304	12,990	515	849
Cash and bank balances	10	142,504	115,691	18,900	20,070
		162,808	128,681	19,415	20,919
<b>Total assets</b>		<b>2,509,289</b>	<b>1,960,404</b>	<b>920,983</b>	<b>705,386</b>
<b>Non-current liabilities</b>					
Loans and borrowings	11	422,744	501,644	233,066	335,162
Financial derivatives	8	890	631	890	631
Deferred tax liabilities	12	406,612	329,253	-	-
Other payables	13	7,190	3,040	8,098	-
		837,436	834,568	242,054	335,793
<b>Current liabilities</b>					
Loans and borrowings	11	516,730	203,869	437,123	202,144
Trade and other payables	13	31,122	18,638	63,940	54,340
Security deposits		19,938	15,822	-	-
Current tax liabilities		1,712	1,779	-	-
		569,502	240,108	501,063	256,484
<b>Total liabilities</b>		<b>1,406,938</b>	<b>1,074,676</b>	<b>743,117</b>	<b>592,277</b>
<b>Net assets</b>		<b>1,102,351</b>	<b>885,728</b>	<b>177,866</b>	<b>113,109</b>
Represented by:					
<b>Unitholders' funds</b>	14	<b>1,102,351</b>	<b>885,728</b>	<b>177,866</b>	<b>113,109</b>
<b>Units in issue and issuable ('000)</b>	15	<b>779,716</b>	<b>648,628</b>	<b>779,716</b>	<b>648,628</b>
<b>Net asset value per unit attributable to Unitholders (\$)</b>	17	<b>1.41</b>	<b>1.37</b>	<b>0.23</b>	<b>0.17</b>



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2020

	Note	GROUP	
		2020 \$'000	2019 \$'000
<b>Revenue</b>	18	<b>87,476</b>	76,007
Property related tax		<b>(4,827)</b>	(4,392)
Property and commercial management fees		<b>(1,733)</b>	(1,506)
Other property operating expenses	19	<b>(10,868)</b>	(10,127)
<b>Total property operating expenses</b>		<b>(17,428)</b>	(16,025)
<b>Net property income</b>		<b>70,048</b>	59,982
Trustee-Manager's fees	20		
– Base management fee		<b>(5,648)</b>	(4,239)
– Trustee fee		<b>(452)</b>	(339)
– Acquisition fee		<b>(2,278)</b>	(1,686)
Other trust expenses		<b>(4,300)</b>	(3,399)
Exchange gain		<b>2,427</b>	5,263
Other expense		<b>(284)</b>	(1,626)
Finance income		<b>1,292</b>	1,167
Finance costs		<b>(35,988)</b>	(30,760)
Net finance costs	21	<b>(34,696)</b>	(29,593)
<b>Net income</b>		<b>24,817</b>	24,363
Net change in fair value of investment properties	4	<b>(104,722)</b>	(20,754)
<b>(Loss)/Profit before income tax</b>		<b>(79,905)</b>	3,609
Income tax credit/(expense)	22	<b>7,779</b>	(11,045)
<b>Loss for the year</b>	23	<b>(72,126)</b>	(7,436)
<b>Attributable to:</b>			
Unitholders of the Trust		<b>(72,126)</b>	(7,436)
<b>Distributable income attributable to Unitholders</b>			
Loss for the year		<b>(72,126)</b>	(7,436)
Distribution adjustments		<b>92,705</b>	30,706
<b>Amount available for distribution</b>	24	<b>20,579</b>	23,270
<b>Distribution per unit (cents)</b>			
– With Distribution Waiver		<b>3.94</b>	6.82
– Without Distribution Waiver		<b>2.87</b>	3.95
<b>Earnings per unit (cents)</b>	25		
– Basic		<b>(10.18)</b>	(1.27)
– Diluted		<b>(10.18)</b>	(1.27)

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	GROUP	
	2020 \$'000	2019 \$'000
<b>Loss for the year</b>	<b>(72,126)</b>	(7,436)
<b>Other comprehensive income for the year, net of tax</b>		
<b>Items that are or may be reclassified subsequently to profit or loss</b>		
Foreign currency translation differences – foreign operations, net of tax	<b>77,369</b>	(33,422)
	<b>77,369</b>	(33,422)
<b>Total comprehensive income for the year</b>	<b>5,243</b>	(40,858)
<b>Total comprehensive income attributable to:</b>		
Unitholders of the Trust	<b>5,243</b>	(40,858)

# CONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

Year ended 31 December 2020

	Units in issue \$'000	Statutory surplus reserves \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits/ (losses) \$'000	Total \$'000
<b>As at 1 January 2019</b>	138,727	281	680,619	(72,162)	28,483	775,948
Loss for the year	–	–	–	–	(7,436)	(7,436)
<b>Other comprehensive income:</b>						
Foreign currency translation differences						
– foreign operations, net of tax	–	–	–	(33,422)	–	(33,422)
<b>Total other comprehensive income for the year</b>	–	–	–	(33,422)	–	(33,422)
<b>Total comprehensive income for the year</b>	–	–	–	(33,422)	(7,436)	(40,858)
<b>Reserves to be set aside under PRC laws</b>	–	181	–	–	(181)	–
<b>Transactions with Unitholders:</b>						
<b>Contributions by and distribution to Unitholders</b>						
Distribution to Unitholders						
– Tax-exempt income	–	–	–	–	(6,938)	(6,938)
– Capital (note 15)	(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
<b>Total transactions with Unitholders</b>	55,410	–	102,166	–	(6,938)	150,638
<b>As at 31 December 2019</b>	194,137	462	782,785	(105,584)	13,928	885,728

# CONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS (CONT'D)

Year ended 31 December 2020

	Units in issue \$'000	Statutory surplus reserves \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits/ (losses) \$'000	Total \$'000
<b>As at 1 January 2020</b>	<b>194,137</b>	<b>462</b>	<b>782,785</b>	<b>(105,584)</b>	<b>13,928</b>	<b>885,728</b>
Loss for the year	-	-	-	-	(72,126)	(72,126)
<b>Other comprehensive income:</b>						
Foreign currency translation differences						
- foreign operations, net of tax	-	-	-	77,369	-	77,369
<b>Total other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,369</b>	<b>-</b>	<b>77,369</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,369</b>	<b>(72,126)</b>	<b>5,243</b>
<b>Reserves to be set aside under PRC laws</b>	<b>-</b>	<b>92</b>	<b>-</b>	<b>-</b>	<b>(92)</b>	<b>-</b>
<b>Transactions with Unitholders:</b>						
<b>Contributions by and distribution to Unitholders</b>						
Distribution to Unitholders						
- Tax-exempt income	-	-	-	-	(3,772)	(3,772)
- Capital (note 15)	(13,562)	-	-	-	-	(13,562)
Reserve arising from Shunde and Tanbei Acquisition (note 29)	-	-	127,257	-	-	127,257
Issue of units - Private Placement	93,999	-	-	-	-	93,999
Issue expenses	(920)	-	-	-	-	(920)
Units issued as payment for Trustee-Manager's acquisition fees	2,278	-	-	-	-	2,278
Units issued and to be issued as payment for Trustee-Manager's fees	6,100	-	-	-	-	6,100
<b>Total transactions with Unitholders</b>	<b>87,895</b>	<b>-</b>	<b>127,257</b>	<b>-</b>	<b>(3,772)</b>	<b>211,380</b>
<b>As at 31 December 2020</b>	<b>282,032</b>	<b>554</b>	<b>910,042</b>	<b>(28,215)</b>	<b>(62,062)</b>	<b>1,102,351</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	GROUP	
		2020 \$'000	2019 \$'000
<b>Operating activities</b>			
(Loss)/Profit before income tax		(79,905)	3,609
Adjustments for:			
Amortisation of intangible assets		50	-
Depreciation of plant and equipment		133	141
Finance costs		35,988	30,760
Finance income		(1,292)	(1,167)
Impairment loss allowance on trade and other receivables		645	56
Net change in fair value of derivative financial instruments		284	1,626
Net change in fair value of investment properties		104,722	20,754
Recognition of rental income on a straight-line basis over the lease term		(5,598)	(2,083)
Trustee-Manager's acquisition fees paid in units	(i)	2,278	1,686
Trustee-Manager's fees paid/payable in units	(i)	6,100	4,578
Unrealised exchange gain		(4,854)	(3,818)
<b>Operating cash flows before working capital changes</b>		<b>58,551</b>	<b>56,142</b>
<b>Changes in working capital:</b>			
Trade and other receivables		5,771	5,105
Trade and other payables		2,593	(6,979)
<b>Cash generated from operations</b>		<b>66,915</b>	<b>54,268</b>
Income tax paid		(7,587)	(8,856)
<b>Net cash from operating activities</b>		<b>59,328</b>	<b>45,412</b>
<b>Investing activities</b>			
Capital expenditure on investment properties		(6,005)	(2,020)
Interest received		1,274	1,373
Net cash outflow from acquisition of subsidiaries	(ii)	(100,168)	(145,748)
Net withdrawal financial investments		-	23,750
Purchase of intangible assets		(97)	(54)
Purchase of plant and equipment		(1)	(19)
Government grants		1,073	-
<b>Net cash used in investing activities</b>		<b>(103,924)</b>	<b>(122,718)</b>
<b>Financing activities</b>			
Distribution to Unitholders		(17,334)	(25,661)
Increase in cash pledged		(10,067)	(8,813)
Finance costs paid		(24,591)	(20,354)
Payment of lease liabilities		(56)	(58)
Payment of transaction costs on issuance of units		(920)	-
Payment of transaction costs related to loans and borrowings		(9,008)	(7,475)
Proceeds from borrowings		249,182	128,530
Repayment of borrowings		(224,853)	(17,738)
Proceeds from issuance of new units		93,999	68,848
<b>Net cash generated from financing activities</b>		<b>56,352</b>	<b>117,279</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

Year ended 31 December 2020

	Note	GROUP	
		2020 \$'000	2019 \$'000
<b>Net increase in cash and cash equivalents</b>		<b>11,756</b>	39,973
Cash and cash equivalents at the beginning of the year		<b>83,211</b>	44,981
Effect of foreign exchange rate changes on cash and cash equivalents		<b>3,823</b>	(1,743)
<b>Cash and cash equivalents at the end of the year</b>	10	<b>98,790</b>	83,211

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

- (i) The Trustee-Manager's trustee fee and base management fee for the year ended 31 December 2020 was \$6,100,000 (2019: \$4,578,000) as disclosed in notes 15 and 20 to the financial statements. \$4,392,000 (2019: \$3,246,000) was paid during the year through the issuance of 5,420,000 (2019: 3,758,000) Units. The remaining \$1,708,000 (2019: \$1,332,000) was paid subsequent to the year end through the issuance of 2,236,000 (2019: 1,594,000) Units. During the financial year, an acquisition fee of \$2,278,000 (2019: \$1,686,000) in relation to acquisition of Shunde Metro Mall and Tanbei Metro Mall (2019: Doumen Metro Mall) was paid through issuance of 2,920,000 (2019: 2,016,000) Units.

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	
		2020 \$'000	2019 \$'000
Investment properties		<b>508,594</b>	407,843
Plant and equipment		<b>106</b>	47
Trade and other receivables		<b>13,995</b>	6,426
Cash and cash equivalents		<b>7,104</b>	6,610
Trade and other payables		<b>(40,597)</b>	(26,895)
Special Purpose Entities ("SPE") purchase consideration		<b>(20,859)</b>	(75,369)
Loans and borrowings		<b>(201,034)</b>	(96,790)
Deferred tax liabilities	12	<b>(74,952)</b>	(58,406)
<b>Net identifiable assets acquired and liabilities assumed</b>		<b>192,357</b>	163,466
Excess of fair value of net assets acquired over purchase consideration recognised as capital reserve		<b>(127,257)</b>	(102,166)
<b>Purchase consideration</b>		<b>65,100</b>	61,300
Add: SPE purchase consideration		<b>20,859</b>	75,369
Add: Trade and other payables assumed		<b>36,259</b>	21,740
Less: Cash and cash equivalents of subsidiaries acquired		<b>(7,104)</b>	(6,610)
Less: Trade and other payable not yet paid		<b>(16,806)</b>	(6,051)
Net cash outflow on Shunde and Tanbei Acquisition (2019: Doumen Acquisition)		<b>98,308</b>	145,748
Trade and other payable paid for Doumen Acquisition (2019: nil)		<b>1,860</b>	-
<b>Net cash outflow on acquisition of subsidiaries</b>		<b>100,168</b>	145,748

# 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 12 April 2021.

## 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 2020 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.

# 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.

(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 2020 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").

#### Going concern

As at 31 December 2020, the Group and the Trust were in a negative working capital position with net current liabilities of \$406,694,000 and \$481,648,000 respectively. These were mainly due to classification of \$242,000,000 and USD134,286,000 (\$177,483,000) offshore syndicated term loan equivalent to \$419,483,000 in aggregate of the Group and the Trust, and RMB386,000,000 (\$78,143,000) onshore syndicated term loan of the Group relating to the Initial Portfolio and Shiqi Metro Mall in current liabilities, which are due and payable in July 2021.

Notwithstanding the above, the Trustee-Manager believes that the Group and the Trust are able to operate as a going concern after considering the cashflow forecast for the next 12 months from the date of approval of these financial statements, which indicates that the Group and the Trust have sufficient cash and cash equivalents and adequate bank facilities to support its operations and meet its payment obligations as and when they fall due. This is based on the assumption that the refinancing of the principal amount of offshore syndicated term loan totalling \$419,483,000 and the principal amount of onshore syndicated term loan of \$78,143,000, which the Trustee-Manager is in active and advanced stage of discussion with the lenders, will be completed prior to the maturity date of the term loans. The Trustee-Manager is confident that the outcome of negotiations with the lenders to refinance the abovementioned term loans will be favourable and will be completed before these term loans become due for repayment.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Group and the Trust to operate as going concern. Notwithstanding the above, the financial statements have been prepared on a going concern basis.

The financial statements did not include any adjustments relating to the realisation and classification of assets and liabilities that may be necessary if the Group and the Trust were unable to continue as a going concern. Should the going concern assumption be inappropriate, adjustments may have to be made to (i) reflect the situation that assets may need to be realised other than their carrying amounts; (ii) provide for further liabilities that might arise; (iii) reclassify non-current assets and non-current liabilities as current. No adjustments have been made in these financial statements in respect of these.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION (CONT'D)

### 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 12, accounting for the acquisition of subsidiaries as a business combination under note 29 and going concern assessment under note 2.1.

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 9 – measurement of expected credit loss ("ECL") allowance for trade receivables: key assumptions in determining the impairment loss rate;
- 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.

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION (CONT'D)

### 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 2020:

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendment to IAS 1 and IAS 8)
- COVID-19-Related Rent Concessions (Amendment to IFRS 16)

Other than the amendment relating to definition of a business, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Group applied the amendment relating to definition of a business to business combinations whose acquisition dates are on or after 1 January 2020 in assessing whether it had acquired a business or a group of assets. The details of accounting policies are set out in note 3.1(i). See also note 29 for details of the Group's acquisition of subsidiary during the year.

## 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

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see note ii). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.1 Basis of consolidation (Cont'd)

#### (i) Business combinations (Cont'd)

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.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 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").

#### (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.



# NOTES TO THE FINANCIAL STATEMENTS

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.3 Financial instruments (Cont'd)

- (i) Recognition and initial measurement (Cont'd)

#### **Non-derivative financial assets and financial liabilities (Cont'd)**

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 fair value through profit or loss ("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.

- (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.

# 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.

# 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.

# 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.11 Government grants

Government grants are recognised when there is reasonable assurance that they will be received and the Group comply with the conditions associated with the grants.

Government grants relating to assets are deducted against the carrying amount of the assets, and released to profit or loss over the expected useful life of the relevant asset or over the benefits received by the Group related to the assets.

### 3.12 Revenue recognition

#### (i) Rental income

Rental income 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.

### 3.13 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-of-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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.13 Leases (Cont'd)

- (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.

### 3.14 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.

### 3.15 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.

### 3.16 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.



# NOTES TO THE FINANCIAL STATEMENTS

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.16 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 measure 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)

### 3.17 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.

### 3.18 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.

### 3.19 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 2020 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:

- *Interest Rate Benchmark Reform – Phase 2* (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- *Onerous Contracts – Cost of Fulfilling a Contract* (Amendment to IAS 37)
- *Proceeds before Intended Use* (Amendments to IAS 16)
- *IFRS 17 Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendment to IAS 1)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to IFRS 10 and IAS 28)
- Annual Improvements to IFRS 2018 – 2020

The Group has floating rate debt linked to SGD Swap Offered Rate and USD London Inter-Bank Offered Rate and will be able to apply the practical expedient available under the Interest Rate Benchmark Reform – Phase 2 amendments to allow for modifications required by the reform as a direct consequence and made on an economically equivalent basis to be accounted for by updating the effective interest rate prospectively.

# NOTES TO THE FINANCIAL STATEMENTS

## 4. INVESTMENT PROPERTIES

	Note	GROUP	
		2020 \$'000	2019 \$'000
At 1 January		<b>1,831,173</b>	1,478,716
Acquisition through business combinations	29	<b>508,594</b>	407,843
Capital expenditure		<b>4,932</b>	2,020
		<b>2,344,699</b>	1,888,579
Effects of recognising accounting income on a straight-line basis over the lease term		<b>5,598</b>	2,083
Changes in fair value		<b>(104,722)</b>	(20,754)
Translation differences on consolidation		<b>100,154</b>	(38,735)
At 31 December		<b>2,345,729</b>	1,831,173

Investment properties comprise retail properties that are held mainly for use by tenants under operating leases.

During the year, the Group received government grant of approximately \$1,073,000 (2019: \$nil) from the local government by the PRC subsidiaries in relation to installation of enhancement of energy savings equipment for the investment properties. The government grant was included in the capital expenditure.

On 8 July 2020, the Group completed the acquisition of 100% of the equity interests in Singapore Zhi Xin Commercial Holdings Pte. Ltd. ("Singapore Holdco") and its subsidiaries. Singapore Holdco and its seven Singapore subsidiaries are investment holding companies while the three PRC subsidiaries comprise two property companies of Shunde Metro Mall and Tanbei Metro Mall and a rental management company of Shunde Metro Mall.

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 two PRC subsidiaries comprise a property company and a 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	2020		2019	
			RMB'000	\$'000	RMB'000	\$'000
Shiqi Metro Mall	24	27 July 2041 <sup>(1)</sup>	<b>2,864,200</b>	<b>579,840</b>	2,994,000	578,204
Xiaolan Metro Mall	28	1 April 2043	<b>2,149,000</b>	<b>435,052</b>	2,273,500	439,061
Ocean Metro Mall	31	21 February 2046	<b>1,705,500</b>	<b>345,268</b>	1,805,000	348,583
Dasin E-Colour	30	28 July 2045	<b>282,000</b>	<b>57,089</b>	309,500	59,771
Doumen Metro Mall	40	12 October 2052	<b>2,015,000</b>	<b>407,925</b>	2,100,000	405,554
Shunde Metro Mall	40	6 March 2057	<b>2,497,800</b>	<b>505,665</b>	-	-
Tanbei Metro Mall	40	23 September 2038 <sup>(2)</sup>	<b>73,550</b>	<b>14,890</b>	-	-
			<b>11,587,050</b>	<b>2,345,729</b>	9,482,000	1,831,173

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

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

Contingent rents, representing income based on sales achieved by certain tenants, recognised in the consolidated statement of profit or loss during the year amounted to \$6,521,000 (2019: \$6,816,000).

# NOTES TO THE FINANCIAL STATEMENTS

## 4. INVESTMENT PROPERTIES (CONT'D)

### Fair value

Investment properties are stated at fair value based on valuation as at 31 December 2020 performed by independent professional valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL") (2019: Colliers International (Hong Kong) Limited was the valuer for all the investment properties of the Group, except for Doumen Metro Mall, which was valued by JLL), 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 independent valuer has considered available information including economic, market and other conditions existed as of the valuation date. The valuation report highlighted that the outbreak of the COVID-19 since declared Global Pandemic has caused much disruption to economic activities around the world. Although China economy sees signs of gradual recovery and it is anticipated that disruption to business activities will steadily reduce, due to the unknown future impact that COVID-19 might have on the real estate market, the independent valuer has recommended to keep the valuation of these investment properties under frequent review. 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.

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.

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 7.00% to 7.50% per annum (2019: from 6.25% to 7.50% per annum)  Terminal rate of 4.50% (2019: from 4.25% to 4.50%)	The fair value increases as discount rates and terminal rates decreases.
Income capitalisation approach	Term yield rates from 3.00% to 4.00% (2019: from 3.00% to 4.50%)  Reversionary rate of 4.50% (2019: from 4.50% to 5.00%)	The fair value increases as term yield and reversionary rate decreases.

### Security

The investment properties are pledged as security to secure credit facilities (note 11).

# NOTES TO THE FINANCIAL STATEMENTS

## 5. PLANT AND EQUIPMENT

	Note	GROUP			Total \$'000
		Motor vehicles \$'000	Furniture, fittings and equipment \$'000	Right-Of-Use asset \$'000	
<b>Cost</b>					
At 1 January 2019		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
Acquisition through business combinations	29	–	<b>106</b>	–	<b>106</b>
Additions during the year		–	<b>1</b>	<b>183</b>	<b>184</b>
Translation difference on consolidation		<b>20</b>	<b>9</b>	<b>6</b>	<b>35</b>
At 31 December 2020		<b>427</b>	<b>265</b>	<b>335</b>	<b>1,027</b>
<b>Accumulated depreciation</b>					
At 1 January 2019		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
Charge for the year		<b>36</b>	<b>53</b>	<b>44</b>	<b>133</b>
Translation difference on consolidation		<b>14</b>	<b>4</b>	<b>6</b>	<b>24</b>
At 31 December 2020		<b>388</b>	<b>121</b>	<b>153</b>	<b>662</b>
<b>Carrying amounts</b>					
At 1 January 2019		112	63	99	274
At 31 December 2019		69	85	43	197
At 31 December 2020		<b>39</b>	<b>144</b>	<b>182</b>	<b>365</b>

During the financial year ended 31 December 2020, the right-of-use asset relates to the lease of an office premises expired. The expired contract was replaced by a new lease for three years. This resulted in additions to right-of-use asset of \$183,000 in 2020.



# NOTES TO THE FINANCIAL STATEMENTS

## 6. INTANGIBLE ASSETS

	Computer software licence \$'000
<b>GROUP</b>	
<b>Cost</b>	
At 1 January 2019	273
Additions during the year	54
Translation difference on consolidation	-
At 31 December 2019	327
Additions during the year	97
Translation difference on consolidation	15
At 31 December 2020	439
<b>Accumulated amortisation</b>	
At 1 January 2019 and 31 December 2019	-
Amortisation	50
Translation difference on consolidation	2
At 31 December 2020	52
<b>Carrying amounts</b>	
At 1 January 2019	273
At 31 December 2019	327
At 31 December 2020	387

## 7. INTERESTS IN SUBSIDIARIES

	TRUST	
	2020 \$'000	2019 \$'000
Unquoted equity, at cost	126,400	61,300
Loans to subsidiaries	775,168	623,141
	901,568	684,441

The loans to subsidiaries are unsecured, interest-free and are not expected to be repaid within the next twelve months. The loans to subsidiaries were provided to subsidiaries to fund the acquisition of the investment properties of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

## 7. INTERESTS IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation	Effective equity held by the Group	
			2020 %	2019 %
<b>(i) Direct subsidiaries</b>				
Singapore Dasin Commercial Holdings Pte. Ltd. <sup>(2)</sup> ("Singapore Dasin Commercial Holdings")	Investment holding	Singapore	100	100
Singapore Jiaxin Commercial Holdings Pte. Ltd. <sup>(2)</sup> ("Singapore Jiaxin Commercial Holdings")	Investment holding	Singapore	100	100
Singapore Zhi Xin Commercial Holdings Pte. Ltd. <sup>(2)</sup> ("Singapore Zhi Xin Commercial Holdings")	Investment holding	Singapore	100 <sup>(4)</sup>	–
<b>(ii) Indirect subsidiaries</b>				
<b>Subsidiaries of Singapore Dasin Commercial Holdings</b>				
Lan Xin Investments Pte. Ltd. <sup>(2)</sup> ("Lan Xin Investments")	Investment holding	Singapore	100	100
Lan Xin Management Pte. Ltd. <sup>(2)</sup> ("Lan Xin Management")	Investment holding	Singapore	100	100
Yuan Xin Investments Pte. Ltd. <sup>(2)</sup> ("Yuan Xin Investments")	Investment holding	Singapore	100	100
Yi Xin Investments Pte. Ltd. <sup>(2)</sup> ("Yi Xin Investments")	Investment holding	Singapore	100	100
Yi Xin Management Pte. Ltd. <sup>(2)</sup> ("Yi Xin Management")	Investment holding	Singapore	100	100
Sheng Xin Holdings Pte. Ltd. <sup>(2)</sup> ("Sheng Xin Holdings")	Investment holding	Singapore	100	100
<b>Subsidiary of Lan Xin Investments</b>				
Zhongshan Xinrui Commercial Management Co., Ltd. <sup>(1)</sup> (中山市信瑞商业管理有限公司 <sup>(3)</sup> ) ("Xinrui Commercial")	Property investment (Xiaolan Metro Mall)	People's Republic of China	100	100
<b>Subsidiary of Lan Xin Management</b>				
Zhongshan Xiaolan Dasin Xinduhui Commercial Management Co., Ltd. <sup>(1)</sup> (中山市小榄大信新都汇商业管理有限公司 <sup>(3)</sup> ) ("Xiaolan Dasin Xinduhui")	Rental management (Xiaolan Metro Mall)	People's Republic of China	100	100
<b>Subsidiary of Yuan Xin Investments</b>				
Zhongshan Yuanxin Commercial Property Management Co., Ltd. <sup>(1)</sup> (中山市远信商用物业管理有限公司 <sup>(3)</sup> ) ("Yuanxin Commercial")	Property investment and rental management (Ocean 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	
			2020 %	2019 %
<b>(ii) Indirect subsidiaries (Cont'd)</b>				
<b>Subsidiary of Yi Xin Investments</b>				
Zhongshan Xinteng Commercial Management Co., Ltd. <sup>(1)</sup> (中山市信腾商业管理有限公司 <sup>(3)</sup> ) ("Xinteng Commercial")	Property investment (Dasin E-Colour)	People's Republic of China	<b>100</b>	100
<b>Subsidiary of Yi Xin Management</b>				
Zhongshan Yicai Dasin Xinduhui Commercial Management Co., Ltd. <sup>(1)</sup> (中山市溢彩大信新都汇商业管理有限公司 <sup>(3)</sup> ) ("Yicai Dasin Xinduhui")	Rental management (Dasin E-Colour)	People's Republic of China	<b>100</b>	100
<b>Subsidiaries of Sheng Xin Holdings</b>				
Sheng Xin Properties Pte. Ltd. <sup>(2)</sup> ("Sheng Xin Properties")	Investment holding	Singapore	<b>100</b>	100
Sheng Xin Management Pte. Ltd. <sup>(2)</sup> ("Sheng Xin Management")	Investment holding	Singapore	<b>100</b>	100
<b>Subsidiary of Sheng Xin Properties</b>				
Zhongshan Xinkong Commercial Management Co., Ltd. <sup>(1)</sup> (中山市信控商业管理有限公司 <sup>(3)</sup> ) ("Xinkong Commercial")	Property investment (Shiqi Metro Mall)	People's Republic of China	<b>100</b>	100
<b>Subsidiary of Sheng Xin Management</b>				
Zhongshan Shiqi Dasin Xinduhui Commercial Management Co., Ltd. <sup>(1)</sup> (中山市石岐大信新都汇商业管理有限公司 <sup>(3)</sup> ) ("Shiqi Dasin Xinduhui")	Rental management (Shiqi Metro Mall)	People's Republic of China	<b>100</b>	100
<b>Subsidiary of Singapore Jiaxin Commercial Holdings</b>				
Jia Xin Holdings Pte. Ltd. <sup>(2)</sup> ("Jia Xin Holdings")	Investment holding	Singapore	<b>100</b>	100
<b>Subsidiaries of Jia Xin Holdings</b>				
Jia Xin Investments Pte. Ltd. <sup>(2)</sup> ("Jia Xin Investments")	Investment holding	Singapore	<b>100</b>	100
Jia Xin Management Pte. Ltd. <sup>(2)</sup> ("Jia Xin Management")	Investment holding	Singapore	<b>100</b>	100
<b>Subsidiary of Jia Xin Investments</b>				
Zhuhai Xinmingyang Investment Co., Ltd. <sup>(1)</sup> (珠海新名扬投资有限公司 <sup>(3)</sup> ) ("Xinmingyang")	Property investment (Doumen Metro Mall)	People's Republic of China	<b>100</b>	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	
			2020 %	2019 %
<b>(ii) Indirect subsidiaries (Cont'd)</b>				
<b>Subsidiary of Jia Xin Management</b>				
Zhuhai Doumen Dasin Metro-Mall Commercial Management Co., Ltd. <sup>(1)</sup> (珠海市斗门大信新都汇商业管理有限公司 <sup>(3)</sup> ) ("Doumen Dasin Metro-Mall")	Rental management (Doumen Metro Mall)	People's Republic of China	100	100
<b>Subsidiaries of Singapore Zhi Xin Commercial Holdings</b>				
Singapore Xu Xin Commercial Holdings Pte. Ltd. <sup>(2)</sup> ("Singapore Xu Xin Commercial Holdings")	Investment holding	Singapore	100 <sup>(4)</sup>	—
Singapore Tan Xin Commercial Holdings Pte. Ltd. <sup>(2)</sup> ("Singapore Tan Xin Commercial Holdings")	Investment holding	Singapore	100 <sup>(4)</sup>	—
<b>Subsidiary of Singapore Xu Xin Commercial Holdings</b>				
Xu Xin Holdings Pte. Ltd. <sup>(2)</sup> ("Xu Xin Holdings")	Investment holding	Singapore	100 <sup>(4)</sup>	—
<b>Subsidiaries of Xu Xin Holdings</b>				
Xu Xin Investments Pte. Ltd. <sup>(2)</sup> ("Xu Xin Investments")	Investment holding	Singapore	100 <sup>(4)</sup>	—
Xu Xin Management Pte. Ltd. <sup>(2)</sup> ("Xu Xin Management")	Investment holding	Singapore	100 <sup>(4)</sup>	—
<b>Subsidiary of Xu Xin Investments</b>				
Foshan Dasin Commercial Management Co., Ltd. <sup>(1)</sup> (佛山市大信商业管理有限公司 <sup>(3)</sup> ) ("Foshan Dasin")	Property investment (Shunde Metro Mall)	People's Republic of China	100 <sup>(4)</sup>	—
<b>Subsidiary of Xu Xin Management</b>				
Foshan Shunde Dasin Metro-Mall Commercial Management Co., Ltd. <sup>(1)</sup> (佛山市顺德大信新都汇商业管理有限公司 <sup>(3)</sup> ) ("Shunde Dasin Metro-Mall")	Rental management (Shunde Metro Mall)	People's Republic of China	100 <sup>(4)</sup>	—
<b>Subsidiary of Singapore Tan Xin Commercial Holdings</b>				
Tan Xin Holdings Pte. Ltd. <sup>(2)</sup> ("Tan Xin Holdings")	Investment holding	Singapore	100 <sup>(4)</sup>	—
<b>Subsidiary of Tan Xin Holdings</b>				
Tan Xin Investments Pte. Ltd. <sup>(2)</sup> ("Tan Xin Investments")	Investment holding	Singapore	100 <sup>(4)</sup>	—

# 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	
			2020 %	2019 %
<b>(ii) Indirect subsidiaries (Cont'd)</b>				
<b>Subsidiary of Tan Xin Investments</b>				
Zhongshan Yuanteng Commercial Property Management Co., Ltd. <sup>(1)</sup> (中山市远腾商用物业管理有限公司 <sup>(3)</sup> ) ("Yuanteng Commercial")	Property investment and rental management (Tanbei Metro Mall)	People's Republic of China	100 <sup>(4)</sup>	–

(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 8 July 2020, the Group acquired 100% equity interest of Singapore Zhi Xin Commercial Holdings and its direct and indirect wholly-owned subsidiaries, namely Singapore Xu Xin Commercial Holdings, Xu Xin Holdings, Xu Xin Investments, Xu Xin Management, Foshan Dasin, Shunde Dasin Metro-Mall, Singapore Tan Xin Commercial Holdings, Tan Xin Holdings, Tan Xin Investments and Yuanteng Commercial.

## 8. FINANCIAL DERIVATIVES

	GROUP AND TRUST	
	2020 \$'000	2019 \$'000
Financial derivative assets	–	26
Financial derivative liabilities	(890)	(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
<b>GROUP AND TRUST</b>					
<b>Financial derivative assets</b>					
<b>2020</b>					
There were no financial derivative assets as at 31 December 2020.					
<b>2019</b>					
Interest rate swaps	26	274	274	–	–
<b>Financial derivative liabilities</b>					
<b>2020</b>					
Interest rate swaps	(890)	937	702	235	–
<b>2019</b>					
Interest rate swaps	(631)	2,556	2,285	271	–

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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade receivables – third parties	4,257	2,010	–	–
Impairment loss allowance	(967)	(217)	–	–
	<b>3,290</b>	1,793	–	–
Trade receivables – related parties	633	339	–	–
Impairment loss allowance	(5)	–	–	–
	<b>628</b>	339	–	–
Trade receivables (net)	<b>3,918</b>	2,132	–	–
Other receivables	15,514	9,865	8	8
Impairment loss allowance	(2)	(6)	–	–
	<b>15,512</b>	9,859	<b>8</b>	8
Interest receivables	162	143	19	51
Amount due from related parties (non-trade)	44	44	44	44
Amounts due from subsidiaries (non-trade)	–	–	240	136
Trade and other receivables	<b>19,636</b>	12,178	<b>311</b>	239
Contract costs	156	–	–	–
Prepayments	512	812	204	610
	<b>20,304</b>	12,990	<b>515</b>	849
Current	<b>20,304</b>	12,990	<b>515</b>	849

Included in other receivables was a recoverable net input value-added tax ("VAT") of approximately \$15,021,000 (2019: \$8,795,000).

Amount 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.

The Group paid a one-time lease-up commission of the first two months' gross rent of each lease to the Commercial Manager for securing minimum term of two years committed lease after undergone the major asset enhancement during the year. Such commissions are incremental costs and are capitalised. These costs are amortised on a straight-line over the period of the lease. During the year, contract costs \$30,000 (2019: \$nil) were amortised to profit or loss. There was no impairment loss recognised on contract costs.

# 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		Impairment loss allowance	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>GROUP</b>				
Not past due	17,284	10,957	–	5
Past due 1 – 30 days	1,732	786	16	21
Past due 31 – 60 days	475	264	28	27
Past due 61 – 90 days	226	166	39	48
More than 90 days past due	893	228	891	122
	<b>20,610</b>	<b>12,401</b>	<b>974</b>	<b>223</b>

### Movements in allowance for impairment loss allowance 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	
	2020 \$'000	2019 \$'000
At 1 January	223	–
Impairment loss allowance on trade and other receivables, net	645	56
Acquisition through business combinations	98	170
Allowance utilised	(14)	–
Translation difference	22	(3)
At 31 December	<b>974</b>	<b>223</b>

The majority of the trade receivables are mainly from tenants that have good credit records with the Group. The impairment loss allowance account in respect of trade and other receivables is used to record impairment 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 impairment loss allowance 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 10. CASH AND BANK BALANCES

	GROUP		TRUST	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Bank balances	104,623	85,696	10,212	9,387
Fixed deposits with financial institutions	37,881	29,995	8,688	10,683
Cash and bank balances in statements of financial position	142,504	115,691	18,900	20,070
Less: Restricted cash	(43,714)	(32,480)	(11,917)	(10,683)
Cash and cash equivalents in statement of cash flows	98,790	83,211	6,983	9,387

Fixed deposits have original maturities of one month or less.

Restricted cash included (i) \$16,683,000 (2019: \$12,452,000) relating to securities pledged by a subsidiary and the Trust to obtain the term loan facilities (see note 11), (ii) \$26,318,000 (RMB130,000,000) (2019: \$19,312,000 (RMB100,000,000)) relating to security pledged by a subsidiary to obtain the revolving credit facilities for the Trust (see note 11), and (iii) \$713,000 (2019: \$716,000) held by a subsidiary.

## 11. LOANS AND BORROWINGS

	GROUP		TRUST	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Secured bank loans (see notes below)	948,788	716,206	674,416	544,811
Less: Unamortised transactions costs	(9,314)	(10,693)	(4,227)	(7,505)
	939,474	705,513	670,189	537,306
Current	516,730	203,869	437,123	202,144
Non-current	422,744	501,644	233,066	335,162
	939,474	705,513	670,189	537,306

# NOTES TO THE FINANCIAL STATEMENTS

## 11. 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
<b>2020</b>				
<b>GROUP</b>				
RMB secured floating rate term loan (onshore)	4.28	2021	78,143	77,649
SGD secured floating rate term loan (offshore)	1.37-3.08	2021	242,000	241,794
USD secured floating rate term loan (offshore)	1.42-4.39	2021	177,483	177,329
RMB secured floating rate term loan (onshore)	4.90	2021-2029	99,704	97,746
SGD secured floating rate term loan (offshore)	1.66-3.03	2021-2022	54,880	53,538
HKD secured floating rate term loan (offshore)	2.10-3.91	2021-2022	50,115	48,891
RMB secured floating rate term loan (onshore)	4.75	2021-2025	96,525	93,890
SGD secured floating rate term loan (offshore)	1.67-1.68	2021-2022	87,000	86,142
USD secured floating rate term loan (offshore)	1.42-1.47	2021-2022	44,938	44,495
SGD revolving credit facility	1.60-1.65	2021	18,000	18,000
			<b>948,788</b>	<b>939,474</b>
<b>TRUST</b>				
SGD secured floating rate term loan (offshore)	1.37-3.08	2021	242,000	241,794
USD secured floating rate term loan (offshore)	1.42-4.39	2021	177,483	177,329
SGD secured floating rate term loan (offshore)	1.66-3.03	2021-2022	54,880	53,538
HKD secured floating rate term loan (offshore)	2.10-3.91	2021-2022	50,115	48,891
SGD secured floating rate term loan (offshore)	1.67-1.68	2021-2022	87,000	86,142
USD secured floating rate term loan (offshore)	1.42-1.47	2021-2022	44,938	44,495
SGD revolving credit facility	1.60-1.65	2021	18,000	18,000
			<b>674,416</b>	<b>670,189</b>
<b>2019</b>				
<b>GROUP</b>				
RMB secured floating rate term loan (onshore)	4.28	2020-2021	75,318	74,254
SGD secured floating rate term loan (offshore)	2.78-3.56	2020-2021	242,000	239,321
USD secured floating rate term loan (offshore)	3.20-4.39	2020-2021	180,574	178,662
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
			<b>716,206</b>	<b>705,513</b>
<b>TRUST</b>				
SGD secured floating rate term loan (offshore)	2.78-3.56	2020-2021	242,000	239,321
USD secured floating rate term loan (offshore)	3.20-4.39	2020-2021	180,574	178,662
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
			<b>544,811</b>	<b>537,306</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 11. LOANS AND BORROWINGS (CONT'D)

### *Security*

As at 31 December 2020, the Group has three onshore syndicated term loans of Renminbi ("RMB") 386,000,000 (\$78,143,000), RMB492,500,000 (\$99,704,000) and RMB476,805,000 (\$96,525,000) (collectively "Onshore Facilities"), and three offshore syndicated term loan of a \$242,000,000 and United States Dollar ("USD") 134,286,000 (\$177,483,000) equivalent to \$419,483,000 in aggregate, a \$54,880,000 and Hong Kong Dollar ("HKD") 294,000,000 (\$50,115,000) equivalent to \$104,995,000 in aggregate and a \$87,000,000 and USD34,000,000 (\$44,938,000) equivalent to \$131,938,000 in aggregate (collectively "Offshore Facilities").

The Onshore Facilities are secured by legal mortgage over the investment properties of the Group with carrying amount of \$2,345,729,000 (2019: \$1,831,173,000) and a pledge over the sales proceeds, rental income and receivables derived from these properties. The three onshore syndicated term loans are a four-and-a-half-year term loan facility, a ten-year term loan facility and a five-year term facility respectively.

The Offshore Facilities 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 Facilities and Offshore Facilities for 2020 were 5.3% and 3.7% (2019: 5.6% and 5.3%) respectively.

In addition to the above facilities, the Group has revolving credit facility of \$20,400,000 (2019: \$20,000,000) as at 31 December 2020. The Group has drawn down \$18,000,000 (2019: \$16,600,000) of the revolving credit facility as at 31 December 2020. 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 10) from a subsidiary in PRC.

During the year ended 31 December 2020, the Trust extended the tenure of the second tranche comprising \$102,445,000 and USD61,968,000 (\$81,902,000) of the offshore facility due on 20 January 2020 by another one year to 20 January 2021.

Subsequent to the year end, the Group and the Trust extended the tenure of the offshore syndicated term loan comprising \$242,000,000 and USD134,286,000 (\$177,483,000) to July 2021.



# NOTES TO THE FINANCIAL STATEMENTS

## 11. 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 2019	500,511	1,987	502,498
<b>Changes from financing cash flows</b>			
Finance costs paid	–	(20,354)	(20,354)
Payment of transaction costs on 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)
<b>Total changes from financing cash flows</b>	<b>103,317</b>	<b>(20,354)</b>	<b>82,963</b>
<b>Non-cash changes</b>			
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
<b>Total non-cash changes</b>	<b>101,685</b>	<b>20,687</b>	<b>122,372</b>
Balance at 31 December 2019 and 1 January 2020	705,513	2,320	707,833
<b>Changes from financing cash flows</b>			
Finance costs paid	–	(24,591)	(24,591)
Payment of transaction costs related to loans and borrowings	(9,008)	–	(9,008)
Proceeds from loans and borrowings	249,182	–	249,182
Repayment of loans and borrowings	(224,853)	–	(224,853)
<b>Total changes from financing cash flows</b>	<b>15,321</b>	<b>(24,591)</b>	<b>(9,270)</b>
<b>Non-cash changes</b>			
The effect of changes in foreign exchange rates and translation differences on consolidation	7,267	242	7,509
Acquisition through business combinations	201,034	–	201,034
Amortisation of capitalised borrowing costs	10,339	–	10,339
Interest expense	–	25,649	25,649
<b>Total non-cash changes</b>	<b>218,640</b>	<b>25,891</b>	<b>244,531</b>
Balance at 31 December 2020	939,474	3,620	943,094

## NOTES TO THE FINANCIAL STATEMENTS

### 12. DEFERRED TAX LIABILITIES

The movement in deferred tax liabilities during the financial year is as follows:

	Statement of profit or loss (Note 22)		Acquisition through business combinations (Note 29)		Translation difference		Acquisition through business combinations (Note 29)		Statement of profit or loss (Note 22)		Translation difference		Acquisition through business combinations (Note 29)		Translation difference		Statement of profit or loss (Note 22)		Acquisition through business combinations (Note 29)		Translation difference		At 31 December 2020					
	At 1 January 2019	of profit or loss (Note 22)	of profit or loss (Note 22)	through business combinations (Note 29)	of profit or loss (Note 22)	of profit or loss (Note 22)	through business combinations (Note 29)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	of profit or loss (Note 22)	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>GROUP</b>																												
<b>Deferred tax liabilities</b>																												
Investment properties	274,841	2,070	2,070	58,406	–	–	58,406	–	–	–	–	(7,245)	328,072	–	–	–	74,847	–	–	–	–	–	–	17,780	405,786			
Deferred income tax expenses	(7)	30	30	–	–	–	–	–	–	–	–	(12)	11	–	–	–	105	–	–	–	–	–	–	(107)	(108)			
Tax on undistributed profits	1,217	1,190	1,190	–	(1,209)	(1,209)	–	–	–	–	–	(28)	1,170	(1,180)	(1,180)	–	–	–	–	–	–	–	(28)	934				
	276,051	3,290	3,290	58,406	(1,209)	(1,209)	58,406	(7,285)	329,253	(14,913)	(117)	972	(14,058)	(1,180)	(1,180)	74,952	17,645	406,612										

Deferred tax assets of \$18,651,000 (2019: \$10,243,000) have not been recognised in respect of the following item because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

	GROUP	
	2020	2019
	\$'000	\$'000
Tax losses	74,606	40,972

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the country in which the subsidiaries operate. These tax losses can be carried forward up to five consecutive years and will expire on the fifth year from which the tax losses arise. The tax losses of approximately \$5,610,000 expired in current year.

# NOTES TO THE FINANCIAL STATEMENTS

## 13. TRADE AND OTHER PAYABLES

	GROUP		TRUST	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade payables – third parties	15,919	5,798	–	11
Trade payables – related parties	3,000	2,006	–	–
Trade payables	18,919	7,804	–	11
Accrued operating expenses	2,000	3,324	335	1,256
Amounts due to subsidiaries (non-trade, interest free)	–	–	44,368	34,068
Amounts due to subsidiaries (non-trade, interest bearing)	–	–	23,167	13,841
Amounts due to related parties (non-trade)	2,591	1,894	2,339	1,653
Amount due to unitholders	343	343	343	343
Interest payables	3,620	2,320	1,377	1,505
Other payables	8,162	2,576	–*	1,431
	35,635	18,261	71,929	54,108
Receipt in advance from tenants	1,751	2,811	–	–
Other taxes	926	606	109	232
	38,312	21,678	72,038	54,340
Non-current	7,190	3,040	8,098	–
Current	31,122	18,638	63,940	54,340
	38,312	21,678	72,038	54,340

\* less than \$1,000

The amounts due to related parties (non-trade) is unsecured, interest-free and repayable on demand.

Included in other payables was a payable to a third party of approximately \$7,045,000 (2019: \$nil) is unsecured, interest bearing with fixed interest rate of 4.35% per annum and repayable within the next twelve months.

Included in other payables was also a lease liability of the Group of \$183,000 (2019: \$53,000) related to the right-of-use assets (note 5). Contractual undiscounted cash flows of the lease liabilities of the Group related to right-of-use assets are disclosed in note 30(b)(ii).

### Trust

The amounts due to subsidiaries (non-trade, interest free) are unsecured and repayable on demand.

The amounts due to subsidiaries (non-trade, interest bearing) are unsecured, interest range between 1.5% and 4.35% per annum with tenure of two to five years.

# NOTES TO THE FINANCIAL STATEMENTS

## 14. UNITHOLDERS' FUNDS

	Note	GROUP		TRUST	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Units in issue		282,032	194,137	282,032	194,137
Statutory surplus reserve	(i)	554	462	–	–
Capital reserve	(ii)	910,042	782,785	–	–
Foreign currency translation reserve	(iii)	(28,215)	(105,584)	–	–
Accumulated (losses)/profits		(62,062)	13,928	(104,166)	(81,028)
		<b>1,102,351</b>	<b>885,728</b>	<b>177,866</b>	<b>113,109</b>

### (i) Statutory surplus reserve

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

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

### (ii) Capital reserve

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

### (iii) Foreign currency translation reserve comprises:

- (a) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Trust; and
- (b) the foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

# NOTES TO THE FINANCIAL STATEMENTS

## 15. UNITS IN ISSUE

	2020		2019	
	Number of units 000	\$'000	Number of units 000	\$'000
<b>GROUP AND TRUST</b>				
<b>Units in issue</b>				
At 1 January	<b>647,034</b>	<b>192,805</b>	557,649	137,655
Units issued arising from:				
– Trustee-Manager's fees paid in Units	<b>7,014</b>	<b>5,724</b>	5,015	4,318
– Acquisition fee paid in Units	<b>2,920</b>	<b>2,278</b>	2,016	1,686
– Private placement	<b>120,512</b>	<b>93,999</b>	82,354	68,848
Issue expenses	–	<b>(920)</b>	–	(979)
Distribution to Unitholders	–	<b>(13,562)</b>	–	(18,723)
	<b>777,480</b>	<b>280,324</b>	647,034	192,805
<b>Units to be issued</b>				
Trustee-Manager's fees payable in units	<b>2,236</b>	<b>1,708</b>	1,594	1,332
Total issued and issuable units as at 31 December	<b>779,716</b>	<b>282,032</b>	648,628	194,137

Units issued during the year ended 31 December 2020 are as follows:

- (a) On 12 March 2020, the Trust issued 1,593,673 Units at an issue price of \$0.83597 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 2019 to 31 December 2019;
- (b) On 29 June 2020, the Trust issued 1,698,354 Units at an issue price of \$0.79983 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 January 2020 to 31 March 2020;
- (c) On 7 July 2020, the Trust issued 120,512,000 Units at an issue price of \$0.78000 per unit in respect of a private placement exercise for the acquisition of Shunde Metro Mall and Tanbei Metro Mall;
- (d) On 24 September 2020, the Trust issued 1,615,933 Units at an issue price of \$0.82939 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 2020 to 30 June 2020;
- (e) On 25 September 2020, the Trust issued 2,920,258 Units at an issue price of \$0.78000 per unit as payment of the acquisition fee for the acquisition of Shunde Metro Mall and Tanbei Metro Mall; and
- (f) On 29 December 2020, the Trust issued 2,105,587 Units at an issue price of \$0.80402 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 2020 to 30 September 2020.

Units issued during the year ended 31 December 2019 are as follows:

- (g) 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;
- (h) 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;
- (i) 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;



# NOTES TO THE FINANCIAL STATEMENTS

## 15. UNITS IN ISSUE (CONT'D)

Units issued during the year ended 31 December 2020 are as follows: (Cont'd)

- (j) 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;
- (k) 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
- (l) 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.

The issue prices for items (a), (b), (d), (f), (g) to (i) and (k) 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;

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.

# NOTES TO THE FINANCIAL STATEMENTS

## 16. 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 2020 to 30 June 2020 had been paid on 28 September 2020. Distributions for the period from 1 July 2020 to 6 July 2020 was paid on 28 September 2020 in an advanced distribution. Distribution for the period from 7 July 2020 to 31 December 2020 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

## 17. NET ASSET VALUE PER UNIT

	GROUP		TRUST	
	2020	2019	2020	2019
<b>Net asset value per unit is based on:</b>				
Net assets (\$'000)	<b>1,102,351</b>	<b>885,728</b>	<b>177,866</b>	113,109
Total number of issued and issuable units at the end of the year ('000)	<b>779,716</b>	<b>648,628</b>	<b>779,716</b>	648,628

## 18. REVENUE

	GROUP	
	2020 \$'000	2019 \$'000
Rental income	<b>77,378</b>	66,336
Other operating income	<b>10,098</b>	9,671
	<b>87,476</b>	76,007

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	
		2020 \$'000	2019 \$'000
Advertising and promotion		<b>1,398</b>	1,834
Amortisation of intangible assets	6	<b>50</b>	-
Cleaning services		<b>2,612</b>	2,141
Depreciation of plant and equipment	5	<b>133</b>	141
Impairment loss allowance on trade and other receivables	9	<b>645</b>	56
Repair and maintenance		<b>2,302</b>	2,645
Staff costs		<b>454</b>	513
Utilities		<b>2,557</b>	2,267
Others		<b>717</b>	530
		<b>10,868</b>	10,127

# NOTES TO THE FINANCIAL STATEMENTS

## 20. TRUSTEE-MANAGER'S FEES

	GROUP	
	2020 \$'000	2019 \$'000
Management fee – base fee	5,648	4,239
Trustee fee	452	339
Acquisition fee	2,278	1,686
	<b>8,378</b>	<b>6,264</b>

The Trustee-Manager's management and trustee fees for the year ended 31 December 2020 was \$6,100,000 (2019: \$4,578,000). \$4,392,000 (2019: \$3,246,000) was paid during the year through the issuance of 5,420,000 (2019: 3,758,000) Units, at unit prices ranging from \$0.79983 to \$0.82939 (2019: \$0.84876 to \$0.88192) per unit. The remaining \$1,708,000 (2019: \$1,332,000) was paid through the issuance of 2,236,000 (2019: 1,594,000) Units at a unit price of \$0.76415 (2019: \$0.83597) subsequent to the year end.

During the financial year 2020, an acquisition fee \$2,278,000 (2019: \$1,686,000) in relation to acquisition of Shunde Metro Mall and Tanbei Metro Mall (2019: Doumen Metro Mall) was paid through issuance of 2,920,000 (2019: 2,016,000) Units.

No performance fee was paid/payable for financial year 2020 and 2019.

The Trustee-Manager is 99% owned by Mr. Zhang Zhencheng, a director of the Trustee-Manager.

## 21. FINANCE INCOME AND FINANCE COSTS

	GROUP	
	2020 \$'000	2019 \$'000
<b>Finance income</b>		
– banks	1,292	1,167
<b>Finance costs</b>		
– bank loans and borrowings	(35,324)	(30,711)
– interest expense on lease liabilities	–*	(3)
– interest expense on other payable	(424)	–
– unwinding of discount on non-current liabilities	(240)	(46)
Net finance costs recognised in statement of profit or loss	<b>(34,696)</b>	<b>(29,593)</b>

\* less than \$1,000

# NOTES TO THE FINANCIAL STATEMENTS

## 22. INCOME TAX CREDIT/(EXPENSE)

	Note	GROUP	
		2020 \$'000	2019 \$'000
<b>Current taxation</b>			
Current year		6,279	7,755
Withholding tax	12	972	1,190
		<b>7,251</b>	<b>8,945</b>
<b>Deferred taxation</b>			
Origination of temporary differences	12	(15,030)	2,100
Income tax (credit)/expense		<b>(7,779)</b>	<b>11,045</b>

### Reconciliation of effective tax rate

	GROUP	
	2020 \$'000	2019 \$'000
(Loss)/Profit before income tax	(79,905)	3,609
Tax calculated using Singapore tax rate of 17%	(13,584)	614
Adjustments:		
Effect of different tax rates in foreign jurisdictions	(3,326)	3,291
Income not subject to tax	(5,653)	(5,409)
Expenses not deductible for tax purposes	10,935	9,683
Deferred tax assets not recognised	3,429	1,676
Tax-exempt income	(136)	–
Utilisation of previously unrecognised tax losses	(416)	–
Withholding tax	972	1,190
	<b>(7,779)</b>	<b>11,045</b>

## 23. LOSS FOR THE YEAR

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

	GROUP	
	2020 \$'000	2019 \$'000
Audit fees paid/payable to:		
– auditors of the Group	398	338
– other auditors	26	27
Facility agent and security agent fees	385	119
Investor relations	172	203
Legal and professional fees	596	511
Legal and professional fees relating to acquisition through business combinations	1,885	819
Net change in fair value of derivative financial instruments	284	1,626
Stamp duty	130	328
Unclaimable GST expenses	543	692

Included in legal and professional fees were fee relating to legal, valuation, tax agent, internal audit and compliance fees.

Included in legal and professional fees relating to acquisition through business combinations was non-audit fees paid to the external auditors relating to acquisition of subsidiaries during the year amounted to \$158,000 (2019: \$nil).



# NOTES TO THE FINANCIAL STATEMENTS

## 24. AMOUNT AVAILABLE FOR DISTRIBUTION

	GROUP	
	2020 \$'000	2019 \$'000
Loss for the year attributable to Unitholders	(72,126)	(7,436)
Net adjustments (Note A)	92,705	30,706
Amount available for distribution	20,579	23,270
Amount available for distribution to Unitholders at 1 January	8,267	10,713
Amount available for distribution for the current year	20,579	23,270
Total amount available for distribution	28,846	33,983
Distribution to Unitholders:		
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)
Distribution of 2.06 cents per Unit for the period from 12 September 2019 to 31 December 2019	(8,267)	–
Distribution of 1.98 cents per Unit for the period from 1 January 2020 to 30 June 2020	(8,792)	–
Distribution of 0.06 cents per Unit for the period from 1 July 2020 to 6 July 2020	(275)	–
	(17,334)	(25,661)
Less: Amount to be distributed in future periods	–	(55)
Amount available for distribution to Unitholders at 31 December	11,512	8,267
<b>Note A</b>		
Net distribution adjustments comprise:		
Amortisation of intangible assets	50	–
Amortisation of upfront debt-related transaction costs	10,339	10,005
Deferred income tax (income)/expense	(15,030)	2,100
Depreciation of plant and equipment	133	141
Expenses relating to acquisition through business combinations	1,885	819
Impairment loss allowance on trade and other receivables	645	56
Interest income on financial investments	–	23
Loan repayment	(2,038)	(1,855)
Net change in fair value of derivative financial instruments	284	1,626
Net change in fair value of investment properties	104,722	20,754
Recognition of rental income on a straight line basis over the lease term	(5,598)	(2,083)
Stamp duty	130	328
Transfer to statutory reserve	(92)	(181)
Trustee-Manager's acquisition fees paid in units	2,278	1,686
Trustee-Manager's fees paid/payable in units	6,100	4,578
Unrealised exchange gain	(4,854)	(3,818)
Other adjustments	(6,249)	(3,473)
	92,705	30,706

# NOTES TO THE FINANCIAL STATEMENTS

## 24. AMOUNT AVAILABLE FOR DISTRIBUTION (CONT'D)

The Trustee-Manager declared a distribution of 1.96 cents (2019: 2.06 cents) per Unit to unitholders in respect of the period from 7 July 2020 to 31 December 2020 (2019: from 12 September 2019 to 31 December 2019), amounting to \$11,512,000 (2019: \$8,267,000).

Included in other adjustments are amounts set aside for future repayment of interest and related costs of loan facilities.

## 25. EARNINGS PER UNIT

	GROUP	
	2020 \$'000	2019 \$'000
Loss for the year	<b>(72,126)</b>	(7,436)

### 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	
	2020 Number of units '000	2019 Number of units '000
Issued Units		
– As at beginning of the year	<b>647,035</b>	557,649
– Trustee-Manager's trustee and management fees paid in Units	<b>2,583</b>	2,284
– Trustee-Manager's acquisition fee paid in Units	<b>774</b>	6
– Private placement	<b>58,280</b>	25,045
Weighted average number of issued Units at the end of the year	<b>708,672</b>	584,984

### 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	
	2020 Number of units '000	2019 Number of units '000
Issued/Issuable Units		
– As at beginning of the year	<b>647,035</b>	557,649
– Trustee-Manager's trustee and management fees paid/payable in Units	<b>4,818</b>	3,878
– Trustee-Manager's acquisition fee paid in Units	<b>774</b>	6
– Private placement	<b>58,280</b>	25,045
Weighted average number of issued and issuable Units at the end of the year	<b>710,907</b>	586,578

Diluted earnings per share is the same as basic earnings per share as the effects of potential ordinary shares is anti-dilutive for years 2020 and 2019.

# 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., Zhongshan Dasin Commercial Property Management Co., Ltd., Zhuhai Branch and Zhongshan Dasin Commercial Property Management Co., Ltd., Foshan 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, Zhongshan Jixin Property Management Co., Ltd., Zhuhai Branch and Zhongshan Jixin Property Management Co., Ltd., Foshan 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	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Fees paid/payable to Trustee-Manager	20				
– base management fee		<b>5,648</b>	4,239	<b>5,648</b>	4,239
– trustee fee		<b>452</b>	339	<b>452</b>	339
– acquisition fee		<b>2,278</b>	1,686	<b>2,278</b>	1,686
Commercial management fees paid/ payable to a related party					
– management fee		<b>810</b>	732	–	–
– lease-up commission		<b>30</b>	–	–	–
– reimbursement of expenses at cost		<b>1,598</b>	1,872	–	–
Property management fees paid/payable to a related party					
– management fee		<b>810</b>	732	–	–
– reimbursement of expenses at cost		<b>6,032</b>	4,986	–	–
Lease rental received/receivable from related parties					
– lease rental income <sup>(1)</sup>		<b>12,104</b>	14,623	–	–
– reimbursement of expenses at cost		<b>1,322</b>	1,707	–	–
Lease rental paid/payable		<b>60</b>	59	–	–
Other revenue from related parties		<b>683</b>	1,741	–	–
Other property operating expenses paid/ payable to related parties		<b>54</b>	70	–	–
Dividend income from a subsidiary		–	–	<b>12,000</b>	10,000
Advances from a beneficiary of the ultimate controlling party of the Trust		<b>2,263</b>	–	<b>2,263</b>	–
Advances from related parties		<b>125</b>	597	<b>125</b>	597
Advances from subsidiaries		–	–	<b>23,753</b>	12,987
Advances to a related party		–	44	–	44
Advances to subsidiaries		–	–	<b>78</b>	13
Interest expense paid/ payable to subsidiaries		–	–	<b>745</b>	183
Loans from subsidiaries		–	–	<b>7,824</b>	9,696

<sup>(1)</sup> Included in this amount was rental rebate (excluding the straight-line basis over the term of the lease) of \$1,539,000 (2019: \$nil) which has been deducted against the lease rental income.

# NOTES TO THE FINANCIAL STATEMENTS

## 28. OPERATING SEGMENTS

The Group has 7 reportable segments, as described below, which are the Group's investment properties. The investment properties are managed separately because they require different operating and marketing strategies. For each of the investment properties, the 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
- Shunde Metro Mall
- Tanbei 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 <sup>(1)</sup>		Shunde Metro Mall <sup>(2)</sup>		Tanbei Metro Mall <sup>(2)</sup>		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
External revenues:																
- Gross rental income	18,878	22,431	21,921	22,961	10,247	13,393	2,148	2,707	14,989	4,844	8,527	-	668	-	77,378	66,336
- Others	2,224	2,890	1,673	2,552	1,897	2,338	317	514	2,530	1,377	1,377	-	80	-	10,098	9,671
<b>Gross revenue</b>	<b>21,102</b>	<b>25,321</b>	<b>23,594</b>	<b>25,513</b>	<b>12,144</b>	<b>15,731</b>	<b>2,465</b>	<b>3,221</b>	<b>17,519</b>	<b>6,221</b>	<b>9,904</b>	<b>-</b>	<b>748</b>	<b>-</b>	<b>87,476</b>	<b>76,007</b>
<b>Segment net property income</b>	<b>17,700</b>	<b>20,347</b>	<b>20,432</b>	<b>21,282</b>	<b>8,497</b>	<b>11,373</b>	<b>1,617</b>	<b>2,344</b>	<b>13,369</b>	<b>4,636</b>	<b>7,831</b>	<b>-</b>	<b>602</b>	<b>-</b>	<b>70,048</b>	<b>59,982</b>
<b>Finance income</b>	<b>187</b>	<b>348</b>	<b>270</b>	<b>325</b>	<b>500</b>	<b>429</b>	<b>72</b>	<b>72</b>	<b>88</b>	<b>34</b>	<b>84</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>1,214</b>	<b>1,208</b>
<b>Finance costs</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>4,357</b>	<b>4,338</b>	<b>-</b>	<b>-</b>	<b>5,377</b>	<b>1,627</b>	<b>3,117</b>	<b>-</b>	<b>424</b>	<b>-</b>	<b>13,275</b>	<b>5,968</b>
<b>Segment assets</b>	<b>620,496</b>	<b>613,139</b>	<b>477,556</b>	<b>477,138</b>	<b>383,180</b>	<b>380,651</b>	<b>64,042</b>	<b>65,875</b>	<b>431,338</b>	<b>425,826</b>	<b>524,602</b>	<b>-</b>	<b>24,317</b>	<b>-</b>	<b>2,525,531</b>	<b>1,962,629</b>
<b>Segment liabilities</b>	<b>248,802</b>	<b>242,443</b>	<b>204,339</b>	<b>199,388</b>	<b>261,233</b>	<b>251,646</b>	<b>49,215</b>	<b>48,093</b>	<b>265,378</b>	<b>262,697</b>	<b>321,422</b>	<b>-</b>	<b>28,461</b>	<b>-</b>	<b>1,378,850</b>	<b>1,004,267</b>
<b>Other segment items:</b>																
Depreciation and amortisation	63	57	19	8	39	71	9	1	22	4	24	-	7	-	183	141
Net change in fair value of investment properties	(28,410)	(7,997)	(29,117)	(5,814)	(20,475)	(4,877)	(5,526)	(1,521)	(19,407)	(545)	(1,354)	-	(433)	-	(104,722)	(20,754)
Capital expenditure	1,705	357	2,773	1,172	400	447	20	14	297	103	16	-	2	-	5,213	2,093

<sup>(1)</sup> Doumen Metro Mall was acquired by the Trust on 12 September 2019. Financial year 2019 of Doumen Metro Mall refers to the period from 13 September 2019 to 31 December 2019.

<sup>(2)</sup> Shunde Metro Mall and Tanbei Metro Mall were acquired by the Trust on 8 July 2020. Financial year 2020 of Shunde Metro Mall and Tanbei Metro Mall refers to the period from 9 July 2020 to 31 December 2020.

# 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	
	2020 \$'000	2019 \$'000
<b>Revenue</b>		
Total revenue for reporting segments	87,476	76,007
<b>Total (loss)/profit before income tax</b>		
Total (loss)/profit for reportable segments before income tax	(46,735)	34,468
Unallocated amounts:		
- Other corporate expenses	(33,170)	(30,859)
(Loss)/Profit before income tax	(79,905)	3,609
<b>Assets</b>		
Total assets for reportable segments	2,525,531	1,962,629
Other unallocated amounts	(16,242)	(2,225)
Consolidated assets	2,509,289	1,960,404
<b>Liabilities</b>		
Total liabilities for reportable segments	1,378,850	1,004,267
Other unallocated amounts	28,088	70,409
Consolidated liabilities	1,406,938	1,074,676

	Reportable segment totals \$'000	Unallocated amounts \$'000	Consolidated totals \$'000
<b>Other material items 2020</b>			
Finance income	1,214	78	1,292
Finance costs	13,275	22,713	35,988
<b>Other material items 2019</b>			
Finance income	1,208	(41)	1,167
Finance costs	5,968	24,792	30,760

### 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. None of the revenue from a tenant contributed 10% or more to the Group in 2020. Revenue from one of the tenants of the Group represents approximately \$7,774,000 of the Group's total revenue in 2019. The major tenant of 2019 is a related party of the Sponsor.

# 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 four reportable segments.

	Shiqi Metro Mall \$'000	Xiaolan Metro Mall \$'000	Ocean Metro Mall \$'000	Dasin E-Colour \$'000	Doumen Metro Mall <sup>(1)</sup> \$'000	Shunde Metro Mall <sup>(2)</sup> \$'000	Tanbei Metro Mall <sup>(2)</sup> \$'000	Total \$'000
<b>2020</b>								
<b>Trade sector</b>								
Departmental store	3,707	4,832	1,534	-	-	-	-	10,073
Fashion	1,732	4,010	1,300	46	2,798	1,104	3	10,993
Food and Beverage	2,911	3,856	2,568	523	4,734	2,724	271	17,587
General retail	3,094	3,662	558	127	2,069	1,842	35	11,387
Home furnishings	2,622	1,227	(50)	-	573	163	-	4,535
IT and electronics	2,660	1,872	29	-	594	212	-	5,367
Leisure and entertainment	620	210	585	780	1,693	383	-	4,271
Services	69	808	205	581	409	643	114	2,829
Sports and fitness	80	16	813	-	-	469	29	1,407
Supermarket/Hypermarket	1,201	1,247	611	-	1,078	313	134	4,584
Others	2,406	1,854	3,991	408	3,571	2,051	162	14,443
<b>Gross revenue</b>	<b>21,102</b>	<b>23,594</b>	<b>12,144</b>	<b>2,465</b>	<b>17,519</b>	<b>9,904</b>	<b>748</b>	<b>87,476</b>
<b>2019</b>								
<b>Trade sector</b>								
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
<b>Gross revenue</b>	<b>25,321</b>	<b>25,513</b>	<b>15,731</b>	<b>3,221</b>	<b>6,221</b>	<b>-</b>	<b>-</b>	<b>76,007</b>

(1) Doumen Metro Mall was acquired by the Trust on 12 September 2019. Financial year 2019 of Doumen Metro Mall refers to the period from 13 September 2019 to 31 December 2019.

(2) Shunde Metro Mall and Tanbei Metro Mall were acquired by the Trust on 8 July 2020. Financial year 2020 of Shunde Metro Mall and Tanbei Metro Mall refers to the period from 9 July 2020 to 31 December 2020.

# NOTES TO THE FINANCIAL STATEMENTS

## 29. ACQUISITION OF SUBSIDIARIES

- (a) 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% of the equity interest in Singapore Zhi Xin Commercial Holdings Pte. Ltd. ("Singapore Holdco") and its subsidiaries for a purchase consideration of \$65,100,000. The acquisition was completed on 8 July 2020. Singapore Holdco and its seven Singapore subsidiaries are investment holding companies while the three PRC subsidiaries comprise two property companies and a rental management company of Shunde Metro Mall and Tanbei Metro Mall. From 9 July 2020 to 31 December 2020, Singapore Holdco and its subsidiaries contributed revenue of \$10,652,000 and a net loss of \$2,572,000 to the consolidated net loss for the year. If the acquisition had occurred on 1 January 2020, the Group's consolidated revenue would increase by \$7,351,000 and consolidated net loss would increase by \$2,255,000. The excess of the fair value of assets acquired and liabilities assumed over the purchase consideration of Singapore Holdco and its subsidiaries of about \$127,257,000 has been recognised as a reserve arising from a transaction with a controlling unitholder.

The Group incurred an acquisition-related costs of \$130,000 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:

	Note	<b>GROUP</b> 2020 \$'000
Investment properties		508,594
Plant and equipment		106
Trade and other receivables		13,995
Cash and cash equivalents		7,104
Trade and other payables		(40,597)
SPE purchase consideration		(20,859)
Loans and borrowings		(201,034)
Deferred tax liabilities	12	(74,952)
<b>Net identifiable assets acquired and liabilities assumed</b>		<b>192,357</b>
Excess of fair value of net assets acquired over purchase consideration recognised as capital reserve		(127,257)
<b>Purchase consideration</b>		<b>65,100</b>

### 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 30 April 2020 was based on independent valuation undertaken by Jones Lang LaSalle Corporate Appraisal and Advisory Limited (based on 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 \$13,995,000. As at 31 December 2020, the Group has collected \$5,412,000 of the trade and other receivable and recorded an ECL \$208,000. The remaining balance of the trade and other receivables was mainly relating to input VAT, prepayment and receivable deposit.

# NOTES TO THE FINANCIAL STATEMENTS

## 29. ACQUISITION OF SUBSIDIARIES (CONT'D)

- (b) 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:

	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)
SPE purchase consideration		(75,369)
Loans and borrowings		(96,790)
Deferred tax liabilities	12	(58,406)
<b>Net identifiable assets acquired and liabilities assumed</b>		<b>163,466</b>
Excess of fair value of net assets acquired over purchase consideration recognised as capital reserve		(102,166)
<b>Purchase consideration</b>		<b>61,300</b>

### 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 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 AND OPERATING LEASE ARRANGEMENT

### (a) Capital commitments

	GROUP	
	2020 \$'000	2019 \$'000
<b>Payable:</b>		
– contracted but not provided for	<b>109</b>	141

### (b) Operating lease arrangement

- (i) 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	
	2020 \$'000	2019 \$'000
<b>Receivable:</b>		
– within 1 year	<b>75,631</b>	62,158
– after 1 year but within 2 years	<b>54,212</b>	49,347
– after 2 years but within 3 years	<b>47,215</b>	31,315
– after 3 years but within 4 years	<b>34,035</b>	32,414
– after 4 years but within 5 years	<b>26,317</b>	24,623
– after 5 years	<b>81,511</b>	72,819
	<b>318,921</b>	272,676

The unguaranteed residual values do not represent a significant risk for the Group, as they relate to properties which are located in a location with a constant increase in value over the last 10 years. The Group did not identify any indications that this situation will change.

During the year, the Group provided rent concessions of \$8,614,000 to its lessees. The rent concessions given by the group were not part of the original terms and conditions of the lease and are accounted for as lease modifications.

- (ii) The Group leases an office and the maturity analysis of the contractual undiscounted cash flows is presented as follows:

	GROUP	
	2020 \$'000	2019 \$'000
<b>Payable:</b>		
– within 1 year	<b>63</b>	55
– after 1 year but within 2 years	<b>65</b>	–
– after 2 years but within 3 years	<b>67</b>	–
	<b>195</b>	55

# NOTES TO THE FINANCIAL STATEMENTS

## 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.

The Group is subject to the aggregate leverage limit as set out in the Trust Deed and facilities agreement (note 11) ("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 40% as at 31 December 2020 (2019: 38%).

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.

# NOTES TO THE FINANCIAL STATEMENTS

## 31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

### Financial risk management (Cont'd)

#### Credit risk (Cont'd)

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.

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

The Group considers that its cash and fixed deposits have low credit risk based on the external credit ratings of the counterparties.

#### 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 Group also relies on external financing to meet its liquidity needs.

The Group's going concern assessment is set out in note 2.1 *Going concern*.

# NOTES TO THE FINANCIAL STATEMENTS

## 31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

### Financial risk management (Cont'd)

#### Liquidity risk (Cont'd)

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
<b>2020</b>					
<b>GROUP</b>					
Loans and borrowings	939,474	1,018,590	533,943	373,113	111,534
Financial derivative instruments	890	937	702	235	–
Trade and other payables	35,635	36,417	28,701	7,716	–
Security deposits	19,938	19,938	19,938	–	–
	<b>995,937</b>	<b>1,075,882</b>	<b>583,284</b>	<b>381,064</b>	<b>111,534</b>
<b>TRUST</b>					
Loans and borrowings	670,189	680,703	442,437	238,266	–
Financial derivative instruments	890	937	702	235	–
Trade and other payables	71,929	54,107	54,107	–	–
	<b>743,008</b>	<b>735,747</b>	<b>497,246</b>	<b>238,501</b>	<b>–</b>
<b>2019</b>					
<b>GROUP</b>					
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	–	–
	<b>740,201</b>	<b>817,402</b>	<b>254,244</b>	<b>451,281</b>	<b>111,877</b>
<b>TRUST</b>					
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	–	–
	<b>592,019</b>	<b>616,880</b>	<b>267,554</b>	<b>349,326</b>	<b>–</b>

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 2020.

Chinese Renminbi ("RMB") denominated facility:

- RMB386,000,000 four-and-a-half-year secured term loan facilities
- RMB492,500,000 ten-year secured term loan facilities
- RMB476,805,000 five-year secured term loan facilities

# 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 one-year secured term loan facilities
- \$32,921,000 four-year secured term loan facilities
- \$54,880,000 three-year secured term loan facilities
- \$87,000,000 two-year secured term loan facilities
- \$20,400,000 revolving credit facilities

United States dollar ("USD") denominated facilities:

- USD52,404,000 two-year secured term loan facilities
- USD61,968,000 one-year secured term loan facilities
- USD19,914,000 four-year secured term loan facilities
- USD34,000,000 two-year secured term loan facilities

Hong Kong dollar ("HKD") denominated facilities:

- HKD294,000,000 three-year secured term loan facilities

As at 31 December 2020, the Group has fully drawn down its term loan facilities. In addition, the Group has revolving credit facilities of \$20,400,000 (2019: \$20,000,000), and has drawn down \$18,000,000 as at 31 December 2020 (2019: \$16,600,000).

#### 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 2020, the Group has interest rate swaps ("IRS") with notional contract amount of \$226,466,000 (2019: \$169,545,000). 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 2020, the Group has hedged approximately 24% (2019: 24%) of its borrowings at fixed rates. Excluding the RMB denominated loan and revolving credit facilities, which are not hedged, the Group has hedged approximately 34% (2019: 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 2019.

\* 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	
	100 bp increase \$'000	100 bp decrease \$'000
<b>GROUP AND TRUST</b>		
<b>2020</b>		
Interest rate swaps	2,265	(2,265)
Variable rate instruments	(9,488)	9,488
Cash flow sensitivity (net)	(7,223)	7,223
<b>2019</b>		
Interest rate swaps	1,695	(1,695)
Variable rate instruments	(7,162)	7,162
Cash flow sensitivity (net)	(5,467)	5,467

#### 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
<b>GROUP</b>				
<b>2020</b>				
Cash and bank balances	4,989	115	1,627	6,731
Loans and borrowings	(222,420)	–	(50,115)	(272,535)
Financial derivative liabilities	(353)	–	–	(353)
Trade and other payables	(626)	(20)	(73)	(719)
	(218,410)	95	(48,561)	(266,876)
<b>2019</b>				
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)

# 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
<b>TRUST</b>				
<b>2020</b>				
Loans to subsidiaries	164,110	154,886	–	318,996
Cash and bank balances	4,935	51	1,627	6,613
Loans and borrowings	(222,420)	–	(50,115)	(272,535)
Financial derivative liabilities	(353)	–	–	(353)
Trade and other payables	(1,388)	(25,646)	(73)	(27,107)
	<b>(55,116)</b>	<b>129,291</b>	<b>(48,561)</b>	<b>25,614</b>
<b>2019</b>				
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)
	<b>(13,561)</b>	<b>(16,073)</b>	<b>(48,805)</b>	<b>(78,439)</b>

#### Sensitivity analysis

A 10% strengthening of Singapore dollar against the USD, RMB and HKD at the reporting date would (decrease)/increase loss for the year (2019: 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 2019.

	Statements of profit or loss	
	GROUP \$'000	TRUST \$'000
<b>2020</b>		
USD	(21,841)	(5,512)
RMB	10	12,929
HKD	(4,856)	(4,856)
<b>2019</b>		
USD	17,805	1,356
RMB	(7)	1,607
HKD	4,881	4,881

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
<b>2020</b>									
<b>Financial assets not measured at fair value</b>									
Trade and other receivables	9	19,636	-	-	19,636	-	-	-	-
Cash and bank balances	10	142,504	-	-	142,504	-	-	-	-
		162,140	-	-	162,140	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Trade and other payables	13	-	-	35,635	35,635	-	-	-	-
Security deposits		-	-	19,938	19,938	-	-	-	-
Loans and borrowings	11	-	-	939,474	939,474	-	951,074	-	951,074
		-	-	995,047	995,047	-	-	-	-
<b>Financial liabilities measured at fair value</b>									
Financial derivative liabilities	8	-	890	-	890	-	890	-	890

# 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
<b>2019</b>									
<b>Financial assets not measured at fair value</b>									
Trade and other receivables	9	12,178	-	-	12,178	-	-	-	-
Cash and bank balances	10	115,691	-	-	115,691	-	-	-	-
		127,869	-	-	127,869	-	-	-	-
<b>Financial assets measured at fair value</b>									
Financial derivative assets	8	-	26	-	26	-	26	-	26
<b>Financial liabilities not measured at fair value</b>									
Trade and other payables	13	-	-	21,072	21,072	-	-	-	-
Security deposits		-	-	15,822	15,822	-	-	-	-
Loans and borrowings	11	-	-	705,513	705,513	-	718,730	-	718,730
		-	-	742,407	742,407	-	-	-	-
<b>Financial liabilities measured at fair value</b>									
Financial derivative liabilities	8	-	631	-	631	-	631	-	631

# 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
<b>TRUST</b>									
<b>2020</b>									
<b>Financial assets not measured at fair value</b>									
Trade and other receivables	9	311	-	-	311	-	-	-	-
Cash and bank balances	10	18,900	-	-	18,900	-	-	-	-
		19,211	-	-	19,211	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Trade and other payables	13	-	-	71,929	71,929	-	-	-	-
Loans and borrowings	11	-	-	670,189	670,189	-	674,441	-	674,441
		-	-	742,118	742,118	-	674,441	-	674,441
<b>Financial assets measured at fair value</b>									
Financial derivative liabilities	8	-	890	-	890	-	890	-	890

# 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
<b>TRUST</b>									
<b>2019</b>									
<b>Financial assets not measured at fair value</b>									
Trade and other receivables	9	239	-	-	239	-	-	-	-
Cash and bank balances	10	20,070	-	-	20,070	-	-	-	-
		20,309	-	-	20,309	-	-	-	-
<b>Financial assets measured at fair value</b>									
Financial derivative assets	8	-	26	-	26	-	26	-	26
<b>Financial liabilities not measured at fair value</b>									
Trade and other payables	13	-	-	54,108	54,108	-	-	-	-
Loans and borrowings	11	-	-	537,306	537,306	546,277	-	-	546,277
		-	-	591,414	591,414	546,277	-	-	546,277
<b>Financial assets measured at fair value</b>									
Financial derivative liabilities	8	-	-	631	631	631	-	-	631



# 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 2020 and 2019 plus an adequate constant credit spread, and are as follows:

	2020 % p.a.	2019 % p.a.
<b>GROUP</b>		
Interest-bearing borrowings	<b>1.39-4.90</b>	2.74-3.93
Trade and other payables	<b>4.90-5.46</b>	4.90
<b>TRUST</b>		
Interest-bearing borrowings	<b>1.39-4.90</b>	2.74-3.93

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

### Offsetting financial assets and financial liabilities (Cont'd)

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.

### Financial assets and liabilities subject to offsetting and enforceable master netting arrangement under termination events

#### GROUP AND TRUST

	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
<b>2020</b>	There are none for the current year.				
<b>2019</b>					
<b>Financial assets</b>					
Interest rate swaps	26	–	26	(631)	(605)
<b>Financial liabilities</b>					
Interest rate swaps	(631)	–	(631)	26	(605)

# STATISTICS OF UNITHOLDINGS

As at 1 April 2021

## Issued and Fully Paid-Up Units

779,716,137 units (Voting rights: one vote per unit)

**Market Capitalisation S\$569.2 million (based on closing price of S\$0.73) as at 1 April 2021**

## TOP 20 UNITHOLDERS

As listed in the Register of Unitholders

Name of Unitholder	No. of Units	%
1 DBS NOMINEES PTE LTD	355,969,627	45.65
2 RAFFLES NOMINEES (PTE) LIMITED	112,124,400	14.38
3 CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	103,671,700	13.30
4 CITIBANK NOMS SPORE PTE LTD	77,865,200	9.99
5 PHILLIP SECURITIES PTE LTD	64,939,868	8.33
6 DASIN RETAIL TRUST MANAGEMENT PTE LTD	23,043,806	2.96
7 DBS VICKERS SECURITIES (S) PTE LTD	16,486,836	2.11
8 DB NOMINEES (SINGAPORE) PTE LTD	12,500,000	1.60
9 HSBC (SINGAPORE) NOMINEES PTE LTD	3,539,800	0.45
10 MERRILL LYNCH (SPORE) PTE LTD	1,000,700	0.13
11 IFAST FINANCIAL PTE LTD	359,300	0.05
12 MAYBANK KIM ENG SECURITIES PTE.LTD	309,800	0.04
13 UOB KAY HIAN PTE LTD	232,000	0.03
14 CHUA LEONG HAI @CHUA LEANG HAI	210,200	0.03
15 LEE YEW WING	200,000	0.03
16 LEE ENG KHIAN	185,100	0.02
17 CHONG CHEE SEYONG	124,000	0.02
18 UNITED OVERSEAS BANK NOMINEES P L	103,100	0.01
19 PHILIP ENG CHER TIEW	102,000	0.01
20 LEE NGUK SIEN	100,000	0.01
<b>Total</b>	<b>773,067,437</b>	<b>99.15</b>

## DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
<b>1 - 99</b>	0	0.0	0	0.0
<b>100 - 1,000</b>	204	22.17	180,800	0.02
<b>1,001 - 10,000</b>	526	57.17	1,918,100	0.25
<b>10,001 - 1,000,000</b>	180	19.57	6,475,300	0.83
<b>1,000,001 and Above</b>	10	1.09	771,141,937	98.90
<b>Grand Total</b>	<b>920</b>	<b>100</b>	<b>779,716,137</b>	<b>100</b>

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 1 April 2021, approximately 24.43% of Dasin Retail Trust's units are held in public hands.

# STATISTICS OF UNITHOLDINGS

As at 1 April 2021

## SUBSTANTIAL UNITHOLDERS AS AT 1 APRIL 2021

Name of Unitholder	Direct Interest	Deemed Interest
Mr. Zhang Zhencheng <sup>(1)</sup>	–	417,603,869
Aqua Wealth Holdings Limited	366,351,304	–
DBS Trustee Limited <sup>(2)</sup>	–	366,351,304
Mr. Zhang Chon Meng <sup>(3)</sup>	–	366,351,304
Mr. Zhang Guiming <sup>(4)</sup>	–	366,351,304
Mr. Zhang Kunming <sup>(5)</sup>	–	366,351,304
Mr. Zhang Shenming <sup>(6)</sup>	–	366,351,304
Mdm. Liang Jinying <sup>(7)</sup>	–	366,351,304
Bounty Way Investments Limited <sup>(8)</sup>	28,208,759	–
China Orient Asset Management (International) Holding Limited	52,100,000	–
Wise Leader Assets Ltd. <sup>(9)</sup>	–	52,100,000
Dong Yin Development (Holdings) Limited <sup>(9)</sup>	–	52,100,000
China Orient Asset Management Co., Ltd. <sup>(9)</sup>	–	52,100,000
Glory Class Ventures Limited	49,700,900	–
Oceangroup International Investments Limited <sup>(10)</sup>	–	49,700,900
Sino-Ocean Capital Holding Limited <sup>(11)</sup>	–	49,700,900
Fortune Joy Ventures Limited <sup>(12)</sup>	–	49,700,900
Heroic Peace Limited <sup>(13)</sup>	–	49,700,900
Sino-Ocean Land (Hong Kong) Limited <sup>(14)</sup>	–	49,700,900
Faith Ocean International Limited <sup>(15)</sup>	–	49,700,900
Shine Wind Development Limited <sup>(16)</sup>	–	49,700,900
Sino-Ocean Group Holding Limited <sup>(17)</sup>	–	49,700,900
Oriental Model Limited <sup>(18)</sup>	–	49,700,900
Joyful Clever Limited <sup>(19)</sup>	–	49,700,900
New Harvest Investment Limited <sup>(20)</sup>	–	49,700,900
Beijing Dehui Tou Zi Guan Li You Xian Gong Si (北京德暉投資管理有限公司) <sup>(21)</sup>	–	49,700,900
Yuan Yang Tou Zi You Xian Gong Si (遠陽投資有限公司) <sup>(22)</sup>	–	49,700,900
Yuan Yang Zi Ben You Xian Gong Si (遠洋資本有限公司) <sup>(23)</sup>	–	49,700,900
Ning Bo Mei Shan Bao Shui Gang Qu Ao Shen Yi Yang Tou Zi You Xian Gong Si (寧波梅山保稅港區奧莘德洋投資有限公司) <sup>(24)</sup>	–	49,700,900
Ning Bo Mei Shan Bao Shui Gang Qu Sheng De Ming Wang Tou Zi You Xian Gong Si (寧波梅山保稅港區盛德明旺投資有限公司) <sup>(25)</sup>	–	49,700,900
Team Bloom Investment Limited <sup>(26)</sup>	–	49,700,900
Oceanland Global Investment Limited <sup>(27)</sup>	–	49,700,900
Harvest Private Wealth Income Fund 4 SP	38,757,000	–
Harvest Private Wealth Thematic Fund SPC <sup>(28)</sup>	–	65,523,700

<sup>(1)</sup> 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 Gui Ming, 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. 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 23,043,806 Units, representing approximately 2.96% of the total number of Units in issue as at the Latest Practicable Date. Therefore, Mr. Zhang Zhencheng is deemed to be interested in the Units held by the Trustee-Manager.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Mr. Zhang Gui Ming is a beneficiary of the Zhang Family Trust and is therefore deemed to be interested in the Units held by Aqua Wealth.

<sup>(5)</sup> 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.

# STATISTICS OF UNITHOLDINGS

As at 1 April 2021

## SUBSTANTIAL UNITHOLDERS AS AT 1 APRIL 2021 (CONT'D)

- <sup>(6)</sup> 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.
- <sup>(7)</sup> 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.
- <sup>(8)</sup> 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.
- <sup>(9)</sup> 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.
- <sup>(10)</sup> 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 Class Ventures Limited ("Glory Class").
- <sup>(11)</sup> 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 Class.
- <sup>(12)</sup> 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 Class.
- <sup>(13)</sup> 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 Class.
- <sup>(14)</sup> 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 Class.
- <sup>(15)</sup> 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 Class.
- <sup>(16)</sup> 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 Class.
- <sup>(17)</sup> 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 Class.
- <sup>(18)</sup> 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 Class.
- <sup>(19)</sup> 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 Class.
- <sup>(20)</sup> 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 Class.
- <sup>(21)</sup> 北京德暉投資管理有限公司 holds 100% of the shareholding in New Harvest Investment Limited and is therefore deemed to be interested in the Relevant Units held by Glory Class.
- <sup>(22)</sup> 遠騰投資有限公司 holds 100% of the shareholding in 北京德暉投資管理有限公司 and is therefore deemed to be interested in the Relevant Units held by Glory Class.
- <sup>(23)</sup> 遠洋資本有限公司 holds 100% of the shareholding in 遠騰投資有限公司 and is therefore deemed to be interested in the Relevant Units held by Glory Class.
- <sup>(24)</sup> 寧波梅山保稅港區奧華億洋投資有限公司 holds 100% of the shareholding in 遠洋資本有限公司 and is therefore deemed to be interested in the Relevant Units held by Glory Class.
- <sup>(25)</sup> 寧波梅山保稅港區盛德明旺投資有限公司 holds 100% of the shareholding in 寧波梅山保稅港區奧華億洋投資有限公司 and is therefore deemed to be interested in the Relevant Units held by Glory Class.
- <sup>(26)</sup> Team Bloom Investment Limited holds 100% of the shareholding in 寧波梅山保稅港區盛德明旺投資有限公司 and is therefore deemed to be interested in the Relevant Units held by Glory Class.
- <sup>(27)</sup> Oceanland Global Investment Limited holds 100% of the shareholding in Glory Class and is therefore deemed to be interested in the Relevant Units held by Glory Class.
- <sup>(28)</sup> Harvest Private Wealth Thematic Fund SPC holds 100% of both Harvest Private Wealth Income Fund 1 SP and Harvest Private Wealth Income Fund 4 SP. As such, Harvest Private Wealth Thematic Fund SPC is deemed to be interested in the Relevant Units held by Harvest Private Wealth Income Fund 1 and 4 SP.

## UNITHOLDINGS OF THE DIRECTORS OF THE TRUSTEE-MANAGER AS AT 21 JANUARY 2021

Size of Unitholdings	Direct Interest	Deemed Interest
Mr. Zhang Zhencheng <sup>(1)</sup>	–	415,368,165
Mr. Zhang Zhongming <sup>(2)</sup>	–	3,966,200
Dr. Cao Yong	–	–
Mr. Sun Shu	–	–
Mr. Tan Huay Lim <sup>(3)</sup>	–	312,500

<sup>(1)</sup> 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 Ms. 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> Mr. Tan Huay Lim is deemed to be interested in the 312,500 units in the Trust held by a nominee company.

# ADDITIONAL INFORMATION

## INTERESTED PERSON TRANSACTIONS

The aggregate value of transactions entered into with interested persons for the financial year ended 31 December 2020, 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 person	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) S\$'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) S\$'000
<b>Dasin Retail Trust Management Pte Ltd</b>	<b>The Trustee-Manager of the Trust</b>		
- Trustee-Manager's trustee fee <sup>(1)(2)</sup>		452	N.A.
- Trustee-Manager's base management fee <sup>(1)(2)</sup>		5,648	N.A.
- Trustee-Manager's acquisition fee in relation to acquisition of Shunde Metro Mall and Tanbei Metro Mall		2,278	N.A.
<b>Zhongshan Dasin Real Estate Co., Ltd. (the Sponsor) and its subsidiaries or associates</b>	<b>The Sponsor of the Trust</b>		
- Commercial management fee <sup>(2)</sup>			
- management fee		810	N.A.
- lease-up commission <sup>(6)</sup>		185	N.A.
- reimbursement of expenses at cost <sup>(4)</sup>		1,598	N.A.
- Property management fee <sup>(3)</sup>			
- management fee		810	N.A.
- reimbursement of expenses at cost <sup>(4)</sup>		6,032	N.A.
- Commercial management and property management agreements <sup>(6)</sup>		22,037	N.A.
- Customer relationship management software development cost and maintenance contract <sup>(6)</sup>		215	N.A.
<b>Zhongshan Dasin Management and Investment Co., Ltd and its subsidiaries</b>	<b>Company controlled by associates of Mr Zhang Zhencheng</b>		
- Lease rental income agreements <sup>(6)</sup>		10,329	N.A.
- Rental rebate		968	N.A.
- Reimbursement of expenses at cost <sup>(4)</sup>		970	N.A.
- Other income <sup>(5)</sup>		431	N.A.
<b>Zhongshan Jianmei Household Co., Ltd.</b>	<b>Company controlled by Mr Zhang Zhongming</b>		
- Rental rebate		419	N.A.
- Reimbursement of expenses at cost <sup>(4)</sup>		292	N.A.
<b>Zhongshan Jianmei Jane Eyre Home Furnishing Co., Ltd, Xiaolan Branch</b>	<b>Company controlled by Mr Zhang Zhongming</b>		
- Lease rental income agreements <sup>(6)</sup>		5,168	N.A.
- Rental rebate		145	N.A.



# ADDITIONAL INFORMATION

Name of interested person	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) S\$'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) S\$'000
<b>Mr Zhang Kunming</b> – Lease of office premises <sup>(5)</sup>	<b>One of the beneficiaries of Zhang Family Trust</b>	192	N.A.
<b>Aqua Wealth Holdings Limited</b> – Subscription of units of the Trust	<b>Indirect wholly-owned subsidiary of Zhang Family Trust</b>	30,000	N.A.
<b>Mr Zhang Zhencheng</b> – Acquisition of subsidiaries which holds Shunde Metro Mall and Tanbei Metro Mall	<b>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</b>	65,100	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 of 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 period from 1 January 2020 to 31 December 2020.
- (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, 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 totaling 7,013,547 units during the year and 2,235,704 units subsequent to 31 December 2020, 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 2020 and the fourth quarter ended 31 December 2019 (which were accrued for as at 31 December 2019). In addition, 2,920,258 units were issued by the Trust to the Trustee-Manager as an acquisition fee and 38,461,000 units were issued as placement units to Aqua Wealth Holdings Limited in relation to acquisition of Shunde Metro Mall and Tanbei Metro Mall during the year.

# ADDITIONAL INFORMATION

## USE OF PRIVATE PLACEMENT PROCEEDS

On 6 July 2020, the Trust issued 120,512,000 new Units from a private placement at an issue price of \$0.78 per unit (the "**Private Placement**") and raised gross proceeds of approximately \$94.0 million. Total gross proceeds have been used in the following manner:

Use of Proceeds	Announced use of proceeds (S\$ million)	Actual use of proceeds (S\$ million)	Balance of proceeds (S\$ million)
The partial repayment of the onshore construction loan of Foshan Dasin Commercial Management Co., Ltd. with Guangdong Shunde Rural Commercial Bank Company Limited (" <b>Purpose A</b> ")	77.7	76.1	1.6
The payment of the construction payables of the Shunde PRC Property Company (" <b>Purpose B</b> ")	4.8	4.7	0.1
The payment of the estimated fees and expenses, including (i) the placement commission and related fees and expenses payable to the Joint Bookrunners, and (ii) professional and other fees and expenses to be incurred by Dasin Retail Trust in connection with the Proposed Acquisition and the Private Placement (" <b>Purpose C</b> ")	11.5	9.0	2.5
<b>Total</b>	<b>94.0</b>	<b>89.8</b>	<b>4.2</b>

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 13 July 2020 titled "Use Of Proceeds From Private Placement". In the same announcement, the Trustee-Manager also announced that the balance amounts in Purpose A and Purpose B will be utilised towards Purpose C. Included in Purpose C is payment of loan interest of S\$1.1 million.

# NOTICE OF ANNUAL GENERAL MEETING



**DASIN RETAIL TRUST**  
**大信商用信托**

(Business Trust Registration Number: 2017001)

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

MANAGED BY

**DASIN RETAIL TRUST MANAGEMENT PTE. LTD.**

(Company Registration Number: 201531845N)

(as Trustee-Manager of Dasin Retail Trust)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the unitholders of DASIN RETAIL TRUST ("**Dasin Retail Trust**", and the unitholders of Dasin Retail Trust, "**Unitholders**") will be held by electronic means on 29 April 2021 at 10.00 a.m. (Singapore time) and any adjournment thereof (the "**Annual General Meeting**") to transact the following business:

## AS ORDINARY BUSINESS

(Resolution 1)

1. To receive and adopt the Report of the Trustee-Manager issued by Dasin Retail Trust Management Pte. Ltd. (the "**Trustee-Manager**"), the Statement by the Trustee-Manager and the Audited Financial Statements of Dasin Retail Trust for the financial year ended 31 December 2020 and the Auditors' Report thereon.

(Resolution 2)

2. To re-appoint Messrs Deloitte & Touche LLP as Auditors of Dasin Retail Trust and to hold office until the conclusion of the next Annual General Meeting of Dasin Retail Trust, and to authorise the Trustee-Manager to fix their remuneration.

## AS SPECIAL BUSINESS

3. To consider and, if thought fit, to pass with or without any modifications, the following resolutions as an Ordinary Resolution:

(Resolution 3)

That pursuant to Clause 5 of the trust deed constituting Dasin Retail Trust dated 15 January 2016, as supplemented by a first supplemental deed dated 27 December 2016 (the "**Trust Deed**"), Section 36 of the Business Trusts Act, Chapter 31A of Singapore (the "**Business Trusts Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Trustee-Manager be authorised and empowered to:

- (a)
  - (i) issue units in Dasin Retail Trust ("**Units**") whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issuance of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and

- (b) issue Units in pursuance of any Instrument made or granted by the Trustee-Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

# NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed 50.0% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders shall not exceed 20.0% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);
- (2) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) shall be based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for (i) any new Units arising from the conversion or exercise of any Instruments which were issued and outstanding or subsisting at the time when this Resolution is passed and (ii) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Trustee-Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), the Trust Deed for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore) and the Business Trusts Act for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next Annual General Meeting of Dasin Retail Trust or (ii) the date by which the next Annual General Meeting of Dasin Retail Trust is required by applicable regulations to be held, whichever is earlier;
- (5) where the terms of the issuance of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Trustee-Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (6) the Trustee-Manager and any of its Directors, Chief Executive Officer and Chief Financial Officer be and is/ are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager or, as the case may be, the Director, Chief Executive Officer or Chief Financial Officer may consider expedient or necessary or in the interest of Dasin Retail Trust to give effect to the authority conferred by this Resolution.

## BY ORDER OF THE BOARD

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

Lun Chee Leong  
Company Secretary

14 April 2021

# NOTICE OF ANNUAL GENERAL MEETING

## EXPLANATORY NOTES:

### ORDINARY RESOLUTION 3

Ordinary Resolution 3, if passed, will empower the Trustee-Manager, effective until the conclusion of the next Annual General Meeting of Dasin Retail Trust, or the date by which the next Annual General Meeting of Dasin Retail Trust is required by applicable regulations to be held or such authority is varied or revoked by the Unitholders in a general meeting, whichever is the earliest, to issue Units, make or grant Instruments convertible into Units and to issue Units pursuant to such Instruments, up to a number not exceeding the aggregate of 50.0% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any), of which up to 20.0% may be issued other than on a pro rata basis to existing Unitholders.

For determining the aggregate number of Units that may be issued, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) will be calculated based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time Ordinary Resolution 3 in item 3 above is passed, after adjusting for (i) any new Units arising from the conversion or exercise of any Instruments which were issued and outstanding or subsisting at the time when this Resolution is passed and (ii) any subsequent bonus issue, consolidation or subdivision of Units.

### Notes:

- (a) The Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"). The Notice and the accompanying proxy form for the Annual General Meeting will also be published electronically on (i) the SGX website at <https://www.sgx.com/securities/company-announcements>; and (ii) the Trust's corporate website at <http://ir.dasintrust.com/newsroom.html>.
- (b) Pursuant to the Order, alternative arrangements relating to attendance at the Annual General Meeting by electronic means (including arrangements by which the Annual General Meeting can be electronically accessed via live audio-visual webcast or audio-only means), submission of questions to the Chairman of the Annual General Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions and voting by appointing the Chairman of the Annual General Meeting as proxy at the Annual General Meeting will be implemented.

# NOTICE OF ANNUAL GENERAL MEETING

- (c) **In connection with the current COVID-19 pandemic, a Unitholder will not be able to attend the Annual General Meeting in person.** Unitholders and investors holding Units through the Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors") may watch the Annual General Meeting proceedings through a live audio-visual webcast using their computers, tablets or mobile phones or listen to the Annual General Meeting proceedings using their mobile phones. The live audio-visual webcast can be accessed through an online platform that will be provided to registered and authenticated Unitholders on the day before the Annual General Meeting, and the audio-only means can be accessed through a telephone number that will be provided to registered and authenticated Unitholders on the day before the Annual General Meeting.

To access the live audio-visual webcast and/or the audio-only means, Unitholders and CPF/SRS investors need to register no later than 10.00 a.m. on 26 April 2021, being 72 hours before the time fixed for the Annual General Meeting ("Registration Deadline") to enable the Trustee-Manager to verify their status. Following the verification, authenticated Unitholders and CPF/SRS investors will receive an email a day before the Annual General Meeting, containing the link and the telephone number through which the live audio-visual webcast and the audio-only means can be accessed, and the login details and credentials.

Unitholders and CPF/SRS investors can register at the link below ("**Registration Link**") and we advise all Unitholders to register as early as possible.

<http://ir.dasintrust.com/agm2021/register>

Unitholders and CPF/SRS investors are advised to also check the Junk folder of their email in case the emails are directed there instead of Inbox.

Unitholders and CPF/SRS investors who do not receive an email by 10.00 a.m. on 28 April 2021 but have duly registered by the Registration Deadline should contact Dasin Retail Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5355, during its operating hours from Monday to Friday at 9.00 a.m. to 5.30 p.m., or via email at [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com).

- (d) Persons holding Units through relevant intermediaries ("Investors") (other than CPF/SRS investors) will not be able to pre-register at <http://ir.dasintrust.com/agm2021/register> for the live broadcast of the Annual General Meeting. An Investor (other than CPF/SRS investors) who wishes to participate in the Annual General Meeting should instead approach his/her relevant intermediary as soon as possible in order to make the necessary arrangements. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, via email to [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com) no later than 10.00 a.m. on 26 April 2021.

**"relevant intermediary"** means:

- (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
- (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or
- (iii) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.



## NOTICE OF ANNUAL GENERAL MEETING

- (e) In connection with the current COVID-19 pandemic, a Unitholder will not be able to attend the Annual General Meeting in person. If a Unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the Annual General Meeting, he/she/it must appoint the Chairman of the Annual General Meeting as his/her/its proxy vote on his/her/its behalf at the Annual General Meeting. Please note that a Unitholder may not vote at the Annual General Meeting otherwise than by way of appointing the Chairman of the Annual General Meeting as the Unitholder's proxy.
- (f) In appointing the Chairman of the Annual General Meeting as proxy, a Unitholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Annual General Meeting as proxy for that resolution will be treated as invalid.
- (g) The Chairman of the Annual General Meeting, as proxy, need not be a Unitholder of the Dasin Retail Trust.
- (h) The proxy form appointing the Chairman of the Annual General Meeting as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be submitted in the following manner:
- (i) if submitted by post, be lodged with Dasin Retail Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623; or
  - (ii) if submitted electronically, be submitted via email to Dasin Retail Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd at [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com).

in either case, no later than 10.00 a.m. on 27 April 2021, being at least 48 hours before the time for holding the Annual General Meeting.

**In connection with the current COVID-19 pandemic, which may make it difficult for Unitholders to submit completed proxy forms by post, Unitholders are strongly encouraged to submit completed proxy forms electronically via email.**

- (i) Unitholders will not be able to ask questions "live" during the broadcast of the Annual General Meeting. A Unitholder who wishes to raise any matters at the Annual General Meeting must submit such matters or any questions related to the Annual General Meeting:
- (i) via email to Dasin Retail Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd at [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com);
  - (ii) by post to Dasin Retail Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623; or
  - (iii) via the Registration Link at <http://ir.dasintrust.com/agm2021/register>.

Unitholders are required to submit the matters they wish to be heard on and/or their questions no later than 10.00 a.m. on 22 April 2021, being seven (7) days before the time fixed for the Annual General Meeting.

When sending in your questions via email, or by post, please also provide us with the following details:

- your full name;
- your address;
- number of Units held in Dasin Retail Trust; and
- the manner in which you hold Units in Dasin Retail Trust (e.g., via CDP, CPF or SRS).

**In connection with the current COVID-19 pandemic, which may make it difficult to submit questions by post, Unitholders are strongly encouraged to submit their questions via email.** The Trustee-Manager will endeavour to answer all substantial and relevant questions prior to, or at the Annual General Meeting.

# NOTICE OF ANNUAL GENERAL MEETING

- (j) The proxy form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor (other than CPF/SRS investors) who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions.

In addition, CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the Annual General Meeting (i.e. by 10.00 a.m. on 19 April 2021).

- (k) The Annual Report for the financial year ended 31 December 2020 ("**Annual Report 2020**") has been published on the Trust's website at <http://ir.dasintrust.com/ar.html> and on the SGX website at <https://www.sgx.com/securities/company-announcements>.
- (l) Due to the constantly evolving COVID-19 situation in Singapore, the Trustee-Manager may be required to change the arrangements for the Annual General Meeting at short notice. Unitholders are advised to check SGXNet and/or the Trust's website at <http://ir.dasintrust.com/newsroom.html> for the latest updates on the status of the Annual General Meeting.

## Personal Data Privacy:

By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to vote at the Annual General Meeting and/or any adjournment thereof, (b) or submitting details for the registration to observe the proceedings of the Annual General Meeting via live audio-visual webcast or audio-only stream, or (c) submitting any question prior to the Annual General Meeting in accordance with this Notice, a Unitholder consents to the collection, use and disclosure of the Unitholder's personal data by the Trustee-Manager (or its agents or service providers) for the following purposes: (i) the processing and administration by the Trustee-Manager (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof); (ii) processing of the registration for purpose of granting access to Unitholders (or their corporate representatives in the case of Unitholders which are legal entities) to the live audio-visual webcast or audio-only stream to observe the proceedings of the Annual General Meeting of the Company and providing them with any technical assistance where necessary; (iii) answering substantial and relevant questions from Unitholders received before the Annual General Meeting of the Trust and, if necessary, following up with the relevant Unitholders in relation to such questions; and (iv) and in order for the Trustee-Manager (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

Photographic, sound and/or video recordings of the Annual General Meeting may be made by the Trustee-Manager (or its agents or service providers) for record keeping and to ensure the accuracy of the minutes prepared of the Annual General Meeting. Accordingly, the personal data of a Unitholder may be recorded by the Trustee-Manager (or its agents or service providers) for such purposes.

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Managed by Dasin Retail Trust Management Pte. Ltd.  
(Company Registration Number: 201531845N)  
(as Trustee-Manager of Dasin Retail Trust, (the "Trustee-Manager"))



**DASIN RETAIL TRUST**  
**大信商用信托**

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

# PROXY FORM

## ANNUAL GENERAL MEETING

### IMPORTANT:

1. The AGM (as defined below) is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"). The Notice and the accompanying proxy form for the AGM will also be published electronically on (i) the SGX website at <https://www.sgx.com/securities/company-announcements>; and (ii) the Trust's corporate website at <http://ir.dasintrust.com/newsroom.html>.
2. Pursuant to the Order, alternative arrangements relating to attendance at the AGM by electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or audio-only means), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions and voting by appointing the Chairman of the AGM as proxy at the AGM will be implemented.
3. **In connection with the current COVID-19 pandemic, a Unitholder will not be able to attend the AGM in person. If a Unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy vote on his/her/its behalf at the AGM.**
4. This Proxy Form is not valid for use by investors holding units in Dasin Retail Trust ("Units") through relevant intermediaries ("Investors") (including investors holding through Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") ("CPF/SRS Investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor (other than a CPF/SRS investor) who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator to submit their votes at least seven (7) working days before the AGM (i.e. by 10.00 a.m. on 19 April 2021).
5. **Personal Data Privacy:** By submitting an instrument appointing the Chairman of the AGM as proxy, the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice dated 14 April 2021.
6. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman as a Unitholder's proxy to vote on his/her/its behalf at the AGM.**

\*I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/PassportNo.) of  
\_\_\_\_\_ (Address)

being \*a Unitholder/Unitholders of Dasin Retail Trust, hereby appoint the **Chairman of the Annual General Meeting (the "AGM")** as \*my/our proxy to vote for \*me/us on \*my/our behalf at the AGM of Dasin Retail Trust to be held by electronic means on 29 April 2021 at 10.00 a.m. and any adjournment thereof.

\*I/We direct the Chairman of the AGM as \*my/our proxy to vote for or against, or to abstain from voting in relation to the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

No.	Ordinary Resolutions	For#	Against#	Abstain#
1.	To receive and adopt the Report of the Trustee-Manager, the Statement by the Trustee-Manager and the Financial Statements of Dasin Retail Trust for the financial year ended 31 December 2020 and the Auditors' Report.			
2.	To re-appoint Messrs Deloitte & Touche LLP as Auditors of Dasin Retail Trust to hold office until the conclusion of the next AGM of Dasin Retail Trust, and to authorise the Trustee-Manager to fix its remuneration.			
3.	To authorise the Trustee-Manager to issue Units and to make or grant convertible instruments, subject to the limits specified in that resolution.			

# If you wish to use all your votes "For", "Against" or to "Abstain", please indicate with an "X" within the relevant box provided. Otherwise, please indicate the number of votes as appropriate for each resolution within the relevant box provided.

\* Delete appropriately

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021

-----  
Signature(s) of Unitholder(s) / Common Seal of Corporate Unitholder

**Important: Please read the notes to the proxy form.**

Total number of Units held

**Notes:**

1. **In connection with the current COVID-19 pandemic, a Unitholder of Dasin Retail Trust ("Unitholder") will not be able to attend the AGM in person.** If a Unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM. Please note that a Unitholder may not vote at the AGM otherwise than by way of appointing the Chairman of the AGM as the Unitholder's proxy.
2. In appointing the Chairman of the AGM as proxy, a Unitholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
3. The Proxy Form is not valid for use by Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor (other than a CPF/SRS investor) who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 10.00 a.m. on 19 April 2021).
4. The Chairman of the AGM, as proxy, need not be a Unitholder of Dasin Retail Trust.
5. A Unitholder should insert the total number of Units held in the Proxy Form. If the Unitholder has Units entered against his/her name in the Depository Register (as defined under Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) maintained by The Central Depository (Pte) Limited ("CDP"), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of Dasin Retail Trust, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, the Proxy Form will be deemed to relate to all the Units held by the Unitholder.
6. The Proxy Form appointing the Chairman of the AGM as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be submitted in the following manner: (i) if submitted by post, be lodged with the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or (2) if submitted electronically, be submitted via email to Dasin Retail Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd at AGM.TeamE@boardroomlimited.com, in either case, no later than 10.00 a.m. on 27 April 2021, being at least 48 hours before the time for holding the AGM.

**In connection with the current COVID-19 pandemic, which may make it difficult for Unitholders to submit completed proxy forms by post, Unitholders are strongly encouraged to submit completed proxy forms electronically via email.**

1st fold



**DASIN RETAIL TRUST**  
**大信商用信托**

Affix Stamp

**Dasin Retail Trust Management Pte. Ltd.**  
**(As Trustee-Manager of Dasin Retail Trust)**

c/o Boardroom Corporate & Advisory Services Pte. Ltd  
50 Raffles Place  
#32-01 Singapore Land Tower  
Singapore 048623

2nd fold

7. Unitholders should take note that after the deadline for the submission of Proxy Forms, the deadline being 10.00 a.m. on 27 April 2021, i.e., 48 hours before the time for holding the AGM, they cannot change their vote as indicated in the box provided above.
8. The Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under the common seal or under the hand of an officer or attorney so authorised. The Trustee-Manager shall be entitled and be bound, in determining the rights to vote and other matters in respect of a completed Proxy Form submitted to it, to have regard to any instructions and/or notes set out in the Proxy Form.
9. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notarial certified copy of such power of authority must (failing previous registration with the Trustee-Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
10. A corporation which is a Unitholder may, by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
11. The Trustee-Manager shall have the right to reject a Proxy Form which has not been properly completed. In addition, in the case of Units entered in the Depository Register, the Trustee-Manager shall be entitled and bound:
  - (a) to reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by CDP to Dasin Retail Trust; and
  - (b) to accept as the maximum number of votes which in aggregate that Unitholder and his proxy or proxies (if any) are able to cast on a poll a number which is the number of Units entered against the name of that Unitholder in the Depository Register as at 48 hours before the time of the relevant meeting as certified by the CDP to Dasin Retail Trust, whether that number is greater or smaller than that specified by the Unitholder or in the Proxy Form.
12. No instrument appointing a proxy or proxies shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution. A person appointed to act as a proxy need not be a Unitholder.
13. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.





**DASIN RETAIL TRUST MANAGEMENT PTE. LTD.**  
(As Trustee-Manager of Dasin Retail Trust)

8 Marina Boulevard #14-02  
Marina Bay Financial Centre Tower 1  
Singapore 018981

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