



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)

ANNOUNCEMENT PURSUANT TO RULES 704(5) AND 705(2) OF THE LISTING MANUAL

1. EMPHASIS OF MATTER BY INDEPENDENT AUDITOR
2. QUARTERLY REPORTING

1. EMPHASIS OF MATTER BY INDEPENDENT AUDITOR

In accordance with Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the board of directors (the “**Board**”) of Dasin Retail Trust Management Pte. Ltd. (“**DRTM**” or the “**Trustee-Manager**”), as trustee-manager of Dasin Retail Trust (the “**Trust**”), wishes to announce that the Trust’s auditors, Deloitte & Touche LLP, have in their Independent Auditors’ Report (“**Independent Auditors’ Report**”) on the financial statements of the Trust (the “**Financial Statements**”) for the financial year ended 31 December 2021 (“**FY2021**”), included an emphasis of matter that “*as at 31 December 2021, the Group and the Trust were in a negative working capital position with net current liabilities of \$663,169,000 and \$719,864,000 respectively. These conditions, along with other matters as set forth in Note 2.2 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*” (“**Emphasis of Matter**”). The Trustee-Manager would like to highlight that the Auditors have not qualified their audit opinion in the Independent Auditors’ Report.

Note 2.2 to the Audited Financial Statements stated that the Group and the Trust were in net current liabilities of \$663,169,000 and \$719,864,000 as at 31 December 2021 respectively as the syndicated term loans pertaining to the Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour (the “**Initial Portfolio**”) and Shiqi Metro Mall of \$499,520,000 in aggregate are due and payable on 19 June 2022, the offshore syndicated term loans pertaining to Shunde Metro Mall and Tanbei Metro Mall of \$132,851,000 in aggregate are due and payable on 15 July 2022 and the offshore syndicated term loans pertaining to Doumen Metro Mall of \$105,728,000 in aggregate are due and payable on 18 September 2022. The tenure of both the Initial Portfolio and Shiqi Metro Mall have been extended to 19 June 2022 as announced by the Trust on 20 January 2021, 20 July 2021, 20 December 2021 and 21 March 2022. In addition, the Group and the Trust drawdown the 24-month credit loan facility of USD13,120,000 (\$17,693,000) in September 2021 which is revolving every 12 months and is due on 20 September 2022.

As stated in Note 2.2, these conditions indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group and of the Trust to continue as going concerns, and whether the Group will be able to continue as a going concern would depend on the following:

- (i) the Group is successful in its efforts to divest Shiqi Metro Mall and Xiaolan Metro Mall before the stipulated repayment date;
- (ii) the Group is successful in its efforts to timely execute the re-financing of its loans which are due for repayment in 2022 before the above stipulated repayment dates;

- (iii) the Group continues to generate positive cash flows from its operations; and
- (iv) the Group is able to obtain sufficient financial support from Sino-Ocean Capital when needed.

The consolidated financial statements of the Group have nevertheless been prepared on a going concern basis as the Trustee-Manager has assessed that it is appropriate to do so after considering the following:

- (i) New Harvest and Sino-Ocean Capital became the immediate holding and the ultimate holding companies of the Trustee-Manager respectively on 12 October 2021. Sino-Ocean Capital holds 6.3% of the total issued units in the Trust via its affiliate Glory Class Ventures Limited. In addition, Aqua Wealth Holdings Limited, the controlling unitholder of the Trust, has granted a call option to New Harvest (or any of its designated affiliates) for a period of one (1) year following the completion of the sale of the Sale Shares (the "Option") over units in the Trust (the "Units") which, in aggregate, shall not exceed the lower of (a) the total Units owned by Aqua Wealth; and (b) 26.0% of the total Units, in each case as of the date when the Option is exercised;
- (ii) the potential divestment of Shiqi Metro Mall and Xiaolan Metro Mall (the "Proposed Divestment") to a buyout fund managed jointly by GSUM Real Estate Fund Management Co., Ltd. and Sino-Ocean Capital for repayment of the offshore and onshore syndicated loans pertaining to the Initial Portfolio and Shiqi Metro Mall as announced by the Trust on 20 March 2022;
- (iii) the Trust's property portfolio is strategically located in the core cities of the Guangdong-Hong Kong-Macau Greater Bay Area ("Greater Bay Area") where there are limited competing properties. The portfolio has stable growth potential from its resilient lease structure, diversified tenants and business mix as well as balanced mix of mature and growth assets;
- (iv) the business fundamentals of the Group are reasonably stable throughout the COVID-19 pandemic;
- (v) the Group has sufficient cash and cash equivalents and is able to generate positive cash flow from its operations to meet its day-to-day working capital needs; and
- (vi) the Group met its loan repayment obligations and complied with the stated financial covenants during the year and up to the date of this financial statements.

A copy of the Independent Auditors' Report and an extract of Notes 2.2 and 11 to the Audited Financial Statements is attached to this announcement.

In view of the foregoing, the Board is of the opinion that the Trust and the Group will be able to continue as going concerns, and therefore, trading of the Trust's units should not be suspended pursuant to Rule 1303(3) of the Listing Manual. The Board confirms that to the best of its knowledge and belief, all material and sufficient information has been disclosed and announced for trading of the Trust's units to continue in an orderly manner.

The Board will also continue to monitor and promptly announce any subsequent events that may have changed its views on the Group's and the Trust's ability to operate as a going concern and/or the validity of the basis previously disclosed to unitholders.

The Independent Auditors' Report and the Financial Statements form part of the Trust's Annual Report for FY2021 which has been released on SGXNET and the Trust's corporate website at <http://ir.dasintrust.com/newsroom.html> on 11 April 2022. Unitholders of Dasin Retail Trust are advised to read this announcement entirety in conjunction with the FY2021 Annual Report.

2. QUARTERLY REPORTING

The Board refers to the Trust's announcement dated 25 March 2020 in relation to the Trust's decision to adopt the announcement of financial statements on a half-yearly basis with effect from the financial year ended 31 December 2020, following amendments to the Listing Manual which took effect on 7 February 2020 under which the Trust was no longer required to announce its financial statements on a quarterly basis ("**Quarterly Reporting**") at such time.

The Trust is required to announce its financial statements on a quarterly basis under Rule 705(2) of the Listing Manual as its auditors had stated that a material uncertainty relating to going concern existed in the Trust's financial statements for the year ended 31 December 2020 ("Emphasis of Matter") on 12 April 2021. Under Rule 705(2A) of the Listing Manual, the Trust has a grace period of one year commencing on 12 April 2021 (being the date of the Emphasis of Matter) to comply with the Quarterly Reporting requirement, and the Trust must continue to comply with the Quarterly Reporting requirement for so long as any condition in Rule 705(2) is met. Accordingly, the Trust is required to carry out Quarterly Reporting with effect from the third quarter ending 30 September 2022 and will continue to do so thereafter for so long as any condition in Rule 705(2) is met.

3. CAUTIONARY STATEMENT

Unitholders and potential investors are advised to exercise caution when dealing in the units of the Trust. Unitholders and potential investors are advised to read this announcement and any further announcements by the Trust carefully. Unitholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Dasin Retail Trust Management Pte. Ltd.

(Company Registration No. 201531845N)

(in its capacity as trustee-manager of Dasin Retail Trust)

Wang Qiu

Chief Executive Officer

11 April 2022

IMPORTANT NOTICE

The value of the units of Dasin Retail Trust (the "Units") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Trustee-Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

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

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

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager's current view on future events.