



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)

**TERMINATION OF LEASE AGREEMENTS WITH
(A) CARREFOUR CHINA FOR CERTAIN UNITS IN OCEAN METRO MALL AND
(B) GOME FOR CERTAIN UNITS IN SHIQI METRO MALL**

Introduction

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

(a) as of 1 March 2023, Guangzhou Jiaguang Supermarket Co., Ltd.¹ (“**Carrefour China**”) has ceased operations at the units on basement 2, basement 1, and the first, second and third floors of Ocean Metro Mall which it had leased under the lease agreement dated 19 November 2013 (the “**Carrefour Lease**”) entered into with Zhongshan Yuanxin Commercial Property Management Co. Ltd², as lessor (the “**Zhongshan Yuanxin**”); and

(b) the Trust is in the process of terminating the lease agreement dated 30 September 2018 (as amended by a supplemental agreement signed in June 2020) (the “**GOME Lease**”) entered into between Zhongshan Shiqi Dasin Xinduhui Commercial Management Co., Ltd.³ (“**Zhongshan Shiqi**”), as lessor, and Zhongshan GOME Electric Appliance Co., Ltd⁴ (“**GOME**”), as lessee, in relation to certain units on the basement and the first floor of Shiqi Metro Mall.

The Carrefour Lease

The Carrefour Lease was for a term of 20 years, commencing from 28 December 2014, for a total leased area of 17,770 sq m.

The Board understands that the operations of Carrefour China (which is majority owned by Sunning.Com, the seventh largest tenant of the Trust⁵), as one of the anchor tenants of Ocean Metro Mall, have not been as successful as it had expected from the commencement of the lease. Discussions on the early termination of the Carrefour Lease commenced with Carrefour China in the first half of 2021 and Carrefour China has not paid the rent under the Carrefour Lease, amounting to RMB 7.33 million, since the second half of 2021. The Board understands that an in-principle agreement with Carrefour China was eventually reached in March 2023

¹ 广州家广超市有限公司

² 中山市远信商用物业管理有限公司

³ 中山市石岐大信新都汇商业管理有限公司

⁴ 中山市国美电器有限公司

⁵ Page 28 of the Trust’s Annual Report 2021.

pursuant to which Carrefour China vacated the leased units. The Group is in the process of finalising the terms of the termination of the Carrefour Lease.

With the lifting of the movement control measures in China and with Carrefour China (being one of the anchor tenants of Ocean Metro Mall) vacating its leased units, the Group is exploring asset enhancement initiatives with respect to Ocean Metro Mall, with targeted completion in Q4 2023, with a view to improving rental performance. This is one of the factors for the termination of the Carrefour Lease.

As of 31 March 2023, the total rental arrears by the Carrefour China was RMB 7.33 million. Zhongshan Yuanxin is holding on to a security deposit of RMB 2 million. Carrefour China is seeking a refund of the security deposit as well as reimbursement of renovation costs in the sum of RMB 7.5 million.

The Trust is considering a proposal from Carrefour China for the settlement of the rental arrears as well as Carrefour China's claims.

The early termination of the Lease has affected the vacancy rate for the Ocean Metro Mall which, in turn, affected the valuation of Ocean Metro Mall as at 31 December 2022.

The GOME Lease

The GOME Lease was for a term of up till 15 April 2027 for a total leased area of 4,373 sq m.

The Board understands that GOME, the sixth largest tenant of the Trust⁶, started defaulting on its rental payments from March 2022. Between March 2022 and November 2022, 11 reminders notices were issued by Zhongshan Shiqi to GOME for payment. Although some payment was received, rental arrears continued to accrue. On 3 March 2023, as the rental arrears and outstanding utilities payments remained unresolved, Zhongshan Shiqi ceased supplying power to GOME and locked the doors to the leased units. As of 4 March 2023, GOME has ceased operations at Shiqi Metro Mall.

As of 15 March 2023, the total rental arrears and utilities fees owing by GOME was RMB 8,403,782.95. Zhongshan Shiqi is holding on to a security deposit of RMB 1,540,462 and there are goods with an estimated value of RMB 5 million remaining in the leased units.

The Board understands that Zhongshan Shiqi has commenced legal action against GOME for the rental arrears and outstanding utilities fees as well as to terminate the GOME Lease via legal action. Zhongshan Shiqi intends to lease out the relevant units after taking back the units through the aforesaid legal action.

On behalf of the Board

Dasin Retail Trust Management Pte. Ltd.

(Company Registration No. 201531845N)

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

Dr. Kong Weipeng

Chairman and Non-Executive Director

24 April 2023

⁶ Page 28 of the Trust's Annual Report 2021.

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.