



**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)

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**QUERIES FROM SGX REGCO IN RELATION TO UNAUDITED FINANCIAL  
STATEMENTS OF DASIN RETAIL TRUST (“DRT”) FOR THE FINANCIAL PERIOD  
ENDED 30 SEPTEMBER 2023 (THE “3Q FY2023 FS”)**

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The Board of Directors (the “**Board**”) of Dasin Retail Trust Management Pte. Ltd. (the “**Trustee-Manager**” or “**DRTM**”) wishes to announce the information set out below in response to queries from Singapore Exchange Regulation Pte. Ltd. (the “**SGX**”) received on 29 July 2025 and 22 August 2025 in relation to the 3Q FY2023 FS. For convenience, terms used herein shall bear the same meanings ascribed to them in the 3Q FY2023 FS unless the context requires otherwise.

**SGX Query 1**

*Please explain what led to the significant increase in interest expense on loans and borrowings from S\$21.894 million for the 9 months ended 30 September 2022 to S\$38.039 million for the 9 months ended 30 September 2023 when loans and borrowings decreased across the two periods.*

**Response to SGX Query 1**

The interest expense on loans and borrowings as disclosed in Note 15 titled “Finance costs” to the 3Q FY2023 FS is set out as follows:

Finance costs	9 months ended 30 September 2023	9 months ended 30 September 2022
	S\$'000	S\$'000
Amortisation of capitalised borrowing costs	578	2,531
Interest expense	174	184
Interest expense of loans and borrowings	38,039	21,894
Interest expense on Right-Of-Use (ROU) assets	16	22
Default Interest	11,497	-
<b>Total as disclosed in note 15 to the 3Q FY2023 FS</b>	<b>50,304</b>	<b>24,631</b>

The significant increase in interest expense on loans and borrowings for the nine months ended 30 September 2023 compared to the corresponding period was due to the increase in interest rates of the loans denominated in United States dollar, Singapore dollar and Hong Kong dollar as a result of (i) the rounds of benchmark interest rate raised by the U.S. Federal Reserve since March 2022 and (ii) the default interest applicable during the nine months ended 30 September 2023.

The tabulation below indicates the interest rates (include margin payable to the lenders) applicable to the three offshore loans and borrowings of the Trust between the financial periods ended 30 September 2022 and 30 September 2023 respectively.

	Interest rate range during the period ended 30 Sept 2022	Interest rate range during the period ended 30 Sept 2023
	%	%
<b>IPO Offshore Facility</b>		
USD demoninated loan	1.41363 - 3.66343	5.92986 - 7.12871
SGD denominated loan	1.53417 - 3.14166	5.38433 - 5.91933
<b>Shunde Offshore Facility</b>		
USD denominated loan	1.44800 - 3.71200	5.92986 - 6.93100
SGD denominated loan	1.79569 - 3.86722	5.56312 - 5.81933
<b>Doumen Offshore Facility</b>		
HKD denominated loan	1.75732 - 2.92661	5.20952 - 6.49351
SGD denominated loan	1.83417 - 3.28270	5.50465 - 5.81933

## SGX Query 2

*Please disclose a breakdown of other payables amounting to S\$13.433 million and S\$1.168 million as at 30 September 2023 and 31 December 2022 respectively. For other payables, please disclose the identity of the counterparties, the aging and nature of these other payables.*

## Response to SGX Query 2

A breakdown of other payables is set out below:

	30-Sep-23	31-Dec-22
	S\$'000	S\$'000
Audit fee payable	-	44
Corporate secretary fee payable	-	21
Loan interest paid on behalf by previous CEO	324	319
Loan interest paid on behalf by employee	65	65
Lease liabilities	31	109
Default interest - IPO tranche	6,315	-
Default interest - Shunde tranche	2,009	-
Default interest - Doumen tranche	1,779	-
Estimated Trustee-Manager fee payable to Dasin Retail Trust Management Pte Ltd	2,514	-
Other miscellaneous payables	396	610
<b>Total as disclosed in note 10 to the 3Q FY2023 FS</b>	<b>13,433</b>	<b>1,168</b>

The significant increase was primarily due to the applicable of default loan interest and accrual of trustee-manager fee payable.

Information regarding ageing for payables is not available as the Trustee-Manager did not track the ageing for all payables.

### **SGX Query 3**

*It is disclosed on page 40 of the unaudited financial statements that “The repayment of the IPO Onshore Loans to less than RMB 350 million before the full discharge of the Offshore Liabilities has not been authorised by the Board and is a severe breach of the internal controls of DRT and the contractual obligations of DRT and the relevant Singapore and PRC subsidiaries of DRT under the IPO Intercreditor Deed. This action is likely to impede the restructuring efforts of the Trustee-Manager.”*

*Please elaborate on the actions taken by the Trustee-Manager in relation to the (i) unauthorised master lease arrangements which have been entered into with unknown parties for Shiqi Metro Mall, Xiaolan Metro Mall, Ocean Metro Mall, Dasin E-Colour and Doumen Metro Mall with effect from 1 May 2025; and the (ii) unauthorised repayments of RMB150 million by four PRC subsidiaries of Shiqi Metro Mall, Xiaolan Metro Mall, Ocean Metro Mall and Dasin E-Colour.*

### **Response to SGX Query 3**

The Trustee-Manager has tried to obtain information on the unauthorised master lease arrangements without any success. The associates of Mr. Zhang Zhencheng (“**ZZC**”) continue to resist and frustrate the efforts of the Trustee-Manager to assert control over the PRC subsidiaries of DRT (the “**PRC Subsidiaries**”) as can be seen from the announcements regarding the various updates regarding the PRC subsidiaries (the latest of which was made on 29 July 2025). In this connection, the Trustee-Manager has engaged PRC legal advisers to advise on the initiation of proceedings against the relevant associates of ZZC, with a view to effecting the change of supervisor, legal representative, executive director and general manager of the PRC Subsidiaries. Separately, the Trustee-Manager has engaged Singapore legal advisers to advise on the initiation of proceedings against ZZC and Mr. Zhang Zhongming (“**ZZM**”). In the meantime, the Trustee-Manager has also sent a letter to the relevant onshore facility agent and the offshore facility agent stating that the repayment of the onshore loans in breach of the IPO Intercreditor Deed was not authorised and requesting the lenders not to breach (or assist or facilitate breaches) of the said deed.

### **SGX Query 4**

*We refer to the Trust’s announcement dated 21 July 2025, entitled “Dasin Retail Trust – Trading Suspension” (the “Suspension Announcement”).*

*The following were disclosed in the Suspension Announcement: “(iv) The moratorium granted by the High Court of Singapore announced by the Trustee-Manager on 14 January 2025 has expired on 13 July 2025; and (v) Under the current circumstances, the Trustee-Manager may not have sufficient information to allow Unitholders to properly assess the Trust’s financial position for the purpose of trading in the Units.”*

*(a) Please disclose whether and how the expiry of the moratorium affects the Trust and the Trustee-Manager, including but not limited to its restructuring efforts for the Trust and Trustee-Manager.*

*(b) Please elaborate on the actions that the Trustee-Manager has taken, or intends to take, to address the concern that it may not have sufficient information for Unitholders to properly assess the Trust’s financial position.*

**Response to SGX Query 4(a)**

The expiry of the moratorium means that the following prohibitions (disclosed in the announcement dated 14 January 2025) will no longer apply:

- (a) no resolution for the winding up of the Trustee-Manager shall be passed;
- (b) there shall be no appointment of a receiver or manager over any property or undertaking of the Trustee-Manager;
- (c) no proceedings (other than proceedings under sections 210 or 212 of the Companies Act 1967 or sections 64, 66, 69 or 70 of IRDA) shall be commenced or continued against the Trustee-Manager, except with permission of the Court and subject to such terms as the Court imposes;
- (d) no enforcement order or other legal process, or the levying of any distress, against any property of the Trustee-Manager shall be issued, continued or executed, except with permission of the Court and subject to such terms as the Court imposes;
- (e) no step to enforce any security over any property of the Trustee-Manager, or to repossess any goods held by the Trustee-Manager under any chattels leasing agreement, hire-purchase agreement or retention of title agreement shall be taken, except with permission of the Court and subject to such terms as the Court imposes; and
- (f) no enforcement of any right of re-entry or forfeiture under any lease in respect of any premises occupied by the Trustee-Manager (including any enforcement pursuant to section 18 or 18A of the Conveyancing and Law of Property Act 1886) be commenced or continued, except with permission of the Court and subject to such terms as the Court imposes.

There are a number of legal proceedings against the Trustee-Manager which have been stayed as a result of the moratorium (such as the legal proceedings by Ms. Wang Qiu, the previous Chief Executive Officer of the Trustee-Manager (whose employment was terminated with cause) and Mr. Zhang Guiming, the nephew of ZZC, which proceedings have been announced by the Trustee-Manager). These legal proceedings will now continue.

The expiry of the moratorium also means that the offshore lenders can now take enforcement action against DRT in relation to the loans made by them, which is now more probable than previously because of the unauthorised actions being taken by the PRC Subsidiaries, such as the master lease arrangements and the repayment of the onshore loans in breach of the IPO Intercreditor Deed.

**Response to SGX Query 4(b)**

The Trustee-Manager needs to be able to assert control over the PRC Subsidiaries in order to be able to have sufficient information for Unitholders to properly assess DRT's financial position. Please see response to SGX Query 3 above for the plan to assert control.

**Query 5**

*It is disclosed on page 47 that, "Subject to the completeness and accuracy of the information on significant related party transactions as disclosed in note 24, the Board of Directors of the Trustee-Manager has confirmed to the best of its knowledge, nothing has come to its attention*

*which may render the unaudited condensed interim consolidated financial statements for the nine-month period ended 30 September 2023 to be false or misleading, in any material respect.”*

*Please note that there should be no caveats in the Trust's confirmation pursuant to Listing Rule 705(5). Please explain why the Board is unable to ascertain the completeness and accuracy of information on related party transactions.*

#### **Response to SGX Query 5**

The Board acknowledges that the requirement under the Listing Rule 705(5) requires the said confirmation. However, the Board is unable to verify the information relating to the significant related party transactions (the “**Relevant Transactions**”) disclosed in note 24 and is of the view that it is necessary to highlight the same in the 3Q FY2023 FS so that readers are not misled into thinking that that information is accurate. In this connection, the source of data for the Relevant Transactions is onshore finance team of the PRC Subsidiaries. Since the 3<sup>rd</sup> quarter of 2023, the onshore finance team has stopped providing financial reports to the Singapore finance team including information on the balances and transactions with related or interested persons and existing and new transactions (if any). The process was that the onshore finance team would provide the details of such transactions to the internal audit team (the “**IA team**”) for checking on accuracy and completeness. The IA team, upon completion of the checking, would issue an interested person transactions report for the relevant financial quarter to the Audit and Risk Committee of the Trustee-Manager. The Singapore finance team would then include and make the relevant disclosure in the interim financial statements after the IA team has completed the relevant checking. For 3Q FY2023, the Singapore finance team does not have a copy of the details of the Relevant Transactions from the onshore finance team. Request for such information was last made to the onshore finance team in October 2024 but no response was given to the Singapore finance team.

In respect of the 3Q FY2023 FS, the following procedures were applied for certain of the Relevant Transactions:

- (a) in respect of the management fees paid/payable to the property managers (the “**PMs**”) and commercial managers (the “**CMs**”), all of which are associates of ZZC, the Trustee-Manager performed a reasonableness test (i.e. 1% on the revenues in accordance with the relevant agreements with the PMs and the CMs) for the relevant quarters; and
- (b) in respect of the reimbursement of expenses at cost to the PMs and CMs, the Trustee-Manager would normally rely on the report from the IA team. However, for 3Q FY2023, as the Trustee-Manager did not receive the report from the IA team, the Trustee-Manager relied on the signed expenses report (for each mall), which was signed by the onshore finance personnel and the relevant PM/CM personnel. These signed expenses reports provide a basis for the value of such items but, without the benefit of the IA team perform its checks on these reports, there may be expenses recorded incorrectly. Historically, there have been instances where adjustments were made to the relevant figures after the checks by the IA team. Accordingly, there is a greater risk of misstatement compared to the information subject to typical procedures undertaken by the Trustee-Manager for previous financial statements.

There is also an increased risk of misstatement in these items because (i) historically, ZZC and/or ZZM would have signed off on the financial statements but ZZC has not done so in respect of the 3Q FY2023 FS and (ii) recent events have shown that there have been unauthorised and/or suspicious transactions in respect of the PRC Subsidiaries (certain of which have been disclosed in the announcement dated 21 July 2025).

## **Query 6**

*Please disclose the Board's assessment on how the Trust intends to fulfil its significant payment obligations in the next 12 months, including but not limited to the Trust's operations in China.*

### **Response to SGX Query 6**

The Trustee-Manager continues to seek to restructure the debt obligations of the Trustee-Manager and DRT. The assets of DRT have been generating cashflow as can be seen from the unauthorised repayment of RMB150 million of onshore loan. However, the actions of ZZC and/or his associates in relation to the PRC Subsidiaries have prejudiced the availability of such cashflow for DRT.

The Board current intends to initiate legal proceedings against ZZC, ZZM and/or their associates to assert control over the PRC Subsidiaries and regain access to the PRC Subsidiaries' financial resources, as well as to seek compensation from ZZC, ZZM and/or their associates for the harm that they have caused to the Trustee-Manager and DRT.

Currently, financial support for the Trustee-Manager has been provided by New Harvest Investments Limited through interest-free shareholder loans amounting to over S\$4 million as at 31 May 2025.

## **Query 7**

*In view of the lack of information to assess the Trust's financial position and in compliance with the Corporate Governance principles on engagement with shareholders and material stakeholders, please elaborate on whether the Trustee-Manager has plans to engage unitholders and material stakeholders taken to address the concern that it may not have sufficient information for Unitholders to properly assess the Trust's financial position. If not, please explain how the Trustee-Manager ensure that sufficient information is disseminated to avoid the establishment of a false market.*

### **Response to SGX Query 7**

The Trustee-Manager refers to:

- (i) its announcement dated 21 July 2025 (the “**21 July Announcement**”) in which the Trustee-Manager disclosed the considerations leading to its application for the suspension of trading of the Units, including that the Trustee-Manager has been unable to obtain financial and other information in relation to the PRC Subsidiaries and the various unauthorised actions taken by the PRC Subsidiaries; and
- (ii) its various announcements relating to the various legal proceedings between the Trustee-Manager and ZZC and/or his associates.

Under the current circumstances, particularly as the Trustee-Manager no longer has control of, and access to material information regarding, the PRC Subsidiaries which comprise the material assets of DRT, and a number of the various legal proceedings are still ongoing, there is not much additional material information that the Trustee-Manager can provide to Unitholders in addition to the announcements that it has already made.

As regards queries from Unitholders, the Trustee-Manager has a contact form on its corporate website through which Unitholders can send the Trustee-Manager their queries and has also

published on its corporate website its email address: [ir@dasintrust.com](mailto:ir@dasintrust.com) which Unitholders can use to send their queries to.

The Trustee-Manager has stated in its 21 July Announcement that it may not have sufficient information to allow Unitholders to properly assess the Trust's financial position for the purpose of trading in the Units. Accordingly, it currently cannot ensure that sufficient information is disseminated to avoid the establishment of a false market and had, therefore, requested for suspension of trading in the Units on 21 July 2025.

The Board (excluding ZYC) is of the view that ZYC is conflicted in respect of certain of the matters referred to herein, including in relation to current and possible legal proceedings against him and/or his associates. Accordingly, this announcement has not been reviewed by ZYC prior to its publication. The opinion of the Board set out in this announcement should not be taken to represent the views of ZYC.

The Trustee-Manager will make further announcements on SGXNet in the event there are any material developments which warrant disclosure, in compliance with its obligations pursuant to the Listing Manual of Singapore Exchange Securities Trading Limited.

In the meantime, the Board wishes to advise unitholders and potential investors to exercise caution when dealing in the units of the Trust. In the event of any doubt, they should consult with their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

**Dasin Retail Trust Management Pte. Ltd.**  
(Company Registration No. 201531845N)  
(in its capacity as Trustee-Manager of Dasin Retail Trust)

Lyu Guoliang  
Chairman and Non-Executive Director  
26 August 2025