



## **BHG Retail REIT's FY 2024**

**Distribution Per Unit up 16.3% year-on-year**

**Portfolio Valuation & Gross Revenue Up year-on-year in RMB Terms**

**Active Portfolio Management**

**Healthy Occupancy Rate of 95.8%**

**SINGAPORE, 26<sup>th</sup> February 2025** – BHG Retail Trust Management Pte. Ltd., the Manager of BHG Retail REIT, is pleased to announce the results of BHG Retail REIT for the full year period ended 31 December 2024 (“FY 2024”).

BHG Retail REIT reported a 16.3% year-on-year increase in DPU for FY 2024. The amount available for distribution to unitholders<sup>1</sup> is S\$2.6 million, driven by lower financing costs. The distribution per unit (“DPU”) for 2H 2024 increased to 0.25 Singapore cents, with payment to Unitholders scheduled for 28 March 2025. The REIT’s gross revenue grew year-on-year in RMB terms, reflecting stable tenant demand and proactive asset management. The portfolio maintained a healthy occupancy rate of 95.8% as at 31 December 2024, underscoring the strength of its high-quality assets in densely populated areas. The Manager remains focused on optimizing the tenant mix and implementing strategic marketing initiatives to sustain strong operational performance.

***Ms Chan Iz-Lynn, Chief Executive Officer of BHG Retail Trust Management Pte. Ltd.***, said, “The Manager’s proactive portfolio management effort contributed to the steady performance of BHG Retail REIT’s portfolio in a challenging environment. Despite the challenges, BHG Retail REIT’s portfolio of quality assets continued to exhibit resilience. Occupancy rate remained healthy at 95.8%, with a weighted average lease expiry of 3.0 years (by Gross Rental Income) and 5.1 years (by Net Lettable Area). In RMB term, our portfolio valuation increased marginally by 0.1% year-on-year, demonstrating its underlying strength.

In FY 2024, the Manager continued to be proactive in improving the quality of its tenancy mix with the introduction of new tenants from diverse sectors including lifestyle, F&B and retail, as part of the malls’ tenancy rejuvenation efforts. In tandem

Footnote:

1. For the FY 2024, approximately S\$0.3 million of the amount available for distribution has been retained for operational expenses and working capital requirements of the REIT.

with the evolving consumer sentiments, the REIT continued to engage its shoppers and communities through marketing activities such as the summer cooling festival and watermelon eating competition at Beijing Wanliu, the children basketball competition and Chinese classic activities at Hefei Changjiangxilu, among others.

Our quality portfolio of retail malls in high population density neighbourhoods are well-positioned to capitalise on China's economic recovery. Looking forward, the Manager will remain focused on executing its current strategy of refreshing and optimising its malls' tenant mix, remaining prudent in its capital management, and pursuing yield-accretive acquisition."

### **Robust Financial Position and Prudent Capital Management**

BHG Retail REIT's investment properties appraised independent valuation was RMB 4,729.0 million as at 31 December 2024, an increase of RMB 6.0 million (0.1%), from the independent valuation of RMB 4,723.0 million as at 31 December 2023.

As at 31 December 2024, the REIT's gearing ratio remained healthy at 39.6%. Total borrowings drawn down aggregated to S\$300.3 million, with more than 80% of borrowings denominated in SGD, and the remaining denominated in RMB.

In addition to the natural hedge provided by the RMB-denominated debt to the matching revenue stream, about 50.3% of the offshore debt has been hedged from a floating rate to a fixed rate via interest rate swap instruments.

### **Outlook**

China's gross domestic product<sup>2</sup> ("GDP") for 2024 increased 5.0% year-on-year to RMB 135.0 trillion, broadly in line with market consensus of 4.9% expansion<sup>3</sup>. Disposable income per capita of urban residents grew 4.6% year-on-year in 2024 while retail sales of consumer goods increased 3.5% year-on-year<sup>2</sup>.

The International Monetary Fund (IMF) raised its China GDP outlook for 2025, revising it from 4.5% in October 2024 to 4.6% in January 2025.<sup>4</sup> This revision reflects carryover from 2024 and the fiscal package announced in November largely offsetting the negative effect on investment from heightened trade policy uncertainty and property market.

Footnotes:

2. Source: National Bureau of Statistics of China.

3. Reuters (16 January 2025): China's Q4 GDP grows 5.4% y/y, beating market forecast

4. IMF (17 January 2025): World Economic Outlook Update, January 2025: Global Growth: Divergent and Uncertain

### **ABOUT BHG RETAIL REIT** (<http://www.bhgreit.com>)

BHG Retail REIT is the first pure-play China Retail REIT sponsored by a leading China integrated retail group. The REIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited on 11 December 2015. The principal investment strategy of BHG Retail REIT is to invest, directly or indirectly, in a diversified portfolio of income-producing real estate which is used primarily for retail purposes (whether either wholly or partially), as well as real estate-related assets in relation to the foregoing, with an initial focus on China.

As at 31 December 2024, the REIT's portfolio comprises six retail properties, Beijing Wanliu (60%), Chengdu Konggang, Hefei Mengchenglu, Hefei Changjiangxilu, Xining Huayuan, Dalian Jinsanjiao located in Tier 1, Tier 2 and other cities of significant economic potential in China. The portfolio gross floor area of about 311,691 sqm, has a committed occupancy of 95.8% as at 31 December 2024.

As at the latest date of valuation, total appraised value was approximately RMB 4,729 million. Under voluntary right of first refusal agreements, properties may potentially be offered to BHG Retail REIT as future pipeline assets.

### **ABOUT THE REIT MANAGER**

BHG Retail REIT is managed by BHG Retail Trust Management Pte. Ltd., an indirect wholly owned subsidiary of the Sponsor, Beijing Hualian Department Store Co., Ltd. The Manager's key financial objectives are to provide Unitholders of BHG Retail REIT with an attractive rate of return on their investment through regular and stable distributions to Unitholders and to achieve long-term sustainable growth in distribution per unit and net asset value per Unit, while maintaining an appropriate capital structure for BHG Retail REIT.

### **ABOUT THE SPONSOR**

BHG Retail REIT is the first retail REIT sponsored by an established PRC home-grown retail property operator, Beijing Hualian Department Store Co., Ltd. (the "Sponsor"). Established in May 1998, the Sponsor is a listed company on the Shenzhen Stock Exchange (stock code: 000882). The Sponsor is one of the first companies to be engaged in retail property management in China whose focus is mainly on the ownership and management of community retail properties. These properties are positioned as one-stop family-oriented destinations for the community in its locality, with shopping, dining, recreational and entertainment facilities to cater to an extensive variety of communal needs.

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## **IMPORTANT NOTICE**

The value of units in BHG Retail REIT (“Units”) and the income derived from them, if any, may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, BHG Retail Trust Management Pte. Ltd., as manager of BHG Retail REIT (the “Manager”) or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of BHG Retail REIT is not necessarily indicative of its future performance.

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

This press release may contain forward-looking statements that involve risks and uncertainties. Such forward-looking statements and/or financial information involve a number of factors, risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, the present and future business strategies, the environment in which BHG Retail REIT will operate in the future, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, property expenses and governmental and public policy changes, and the continued availability of financing. The actual results, performance or achievements of BHG Retail REIT or the Manager, or industry results, may be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and/or financial information, as these statements and financial information reflect the Manager’s current views concerning future events and necessarily involve risks, uncertainties and assumptions. Prospective investors and Unitholders are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Manager on future events.

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