



BHG RETAIL REIT
ANNUAL GENERAL MEETING
27 APRIL 2023

Content

- Financial Highlights
- Portfolio Updates
- Looking Forward





Financial Highlights



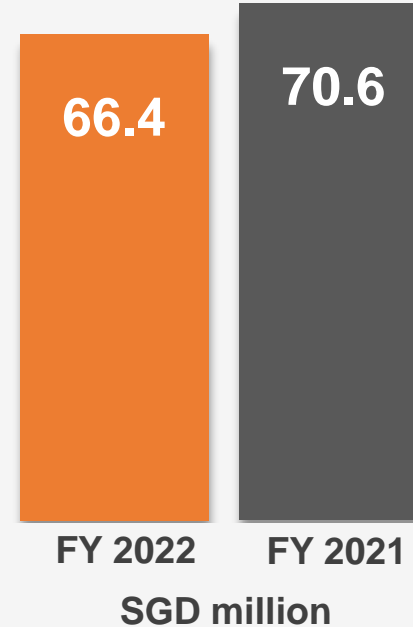
Photo of Beijing Wanliu

Financial Highlights: FY 2022

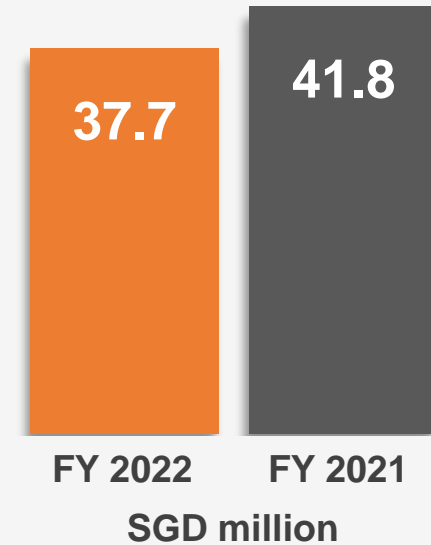
Gross Revenue
FY 2022
S\$66.4
million

**Net Property
Income**
FY 2022
S\$37.7
million

**Gross
Revenue**



**Net Property
Income**



**Amount to be
distributed to
Unitholders^{1,2}**
FY 2022
S\$6.0
million

**Distribution per
Unit^{1,2}**
FY 2022
1.17
Singapore cents

1. For the FY 2022, approximately S\$0.7 million of the amount available for distribution has been retained for operational expenses and working capital requirements of the REIT.
2. Lower year-on-year largely attributed to rental rebates provided to support tenants in FY 2022 due to the COVID-19 situation in China while no rental rebates were given in FY 2021, as well as higher interest expenses, and refinancing expenses incurred during the refinancing exercise completed in March 2022.



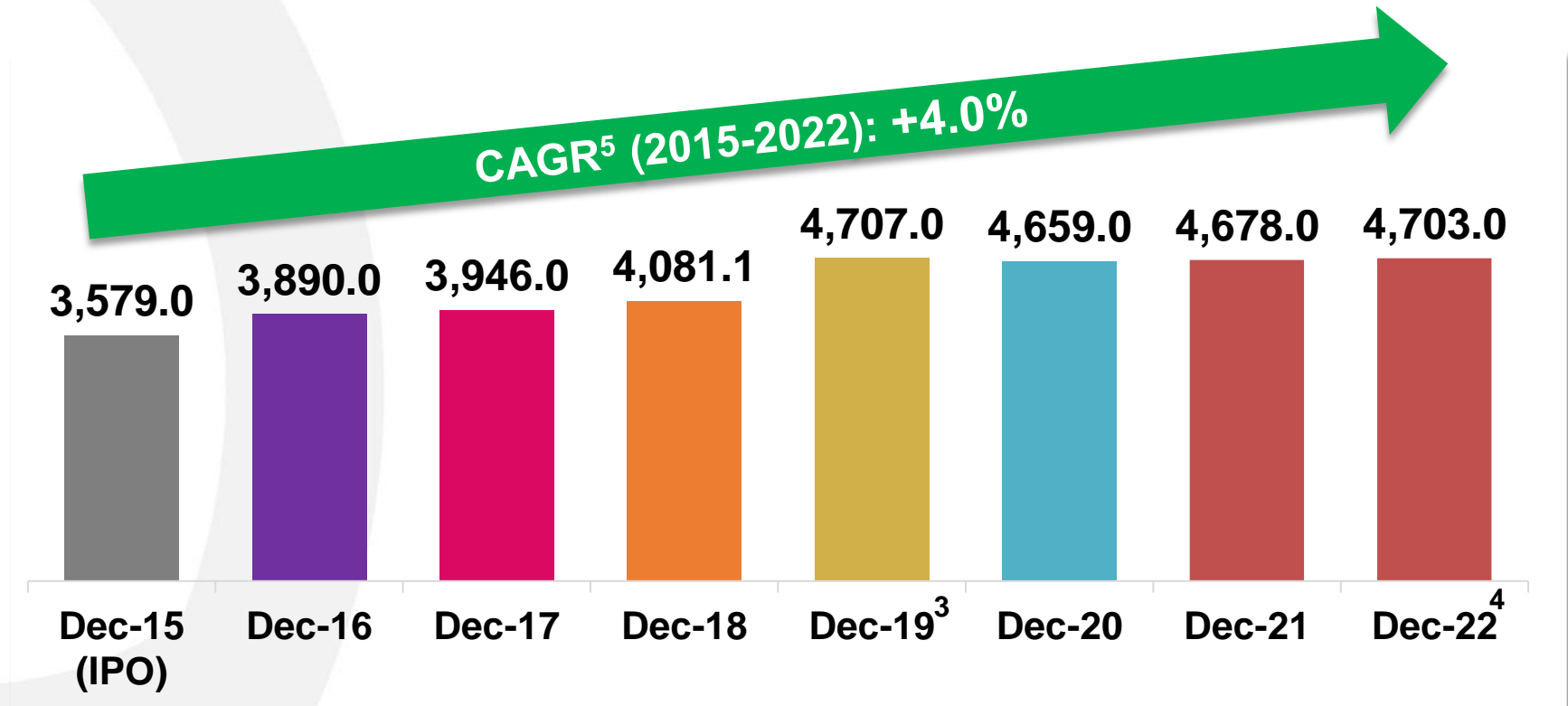
Portfolio Assets Under Management^{1,2}

Valuations Remain Stable Despite Challenging Macro Environment

Independent
Valuation
31 Dec 2022⁴

RMB 4,703m

+0.5%
year-on-year



1. Based on 100% contribution from Beijing Wanliu.

2. Based on annual valuation from independent valuers.

3. Includes the valuation of Hefei Changjiangxilu Mall which was acquired on 2 April 2019.

4. Based on independent valuation from Colliers International (Hong Kong) Limited as at 31 December 2022.

5. Compound Annual Growth Rate.



Capital Management

Completion of Refinancing Exercise in March 2022

- **Commitment secured for:**
 - Offshore Facilities of S\$252.0m
 - Two Onshore Facilities of RMB 192.5m and RMB 104.5m
- No significant refinancing requirements until 2025
- Reflects lenders' confidence and support in BHG Retail REIT's long-term growth strategy

Healthy Gearing With Debt Headroom For Growth

As at 31 December 2022

Aggregated Borrowings Drawn Down

S\$297.2m

Gearing Ratio

37.7%

Average Cost of Debt²

4.4%

Interest Coverage Ratio³

2.2x

- Above 80% of borrowings are denominated in Singapore dollars (offshore borrowings)
- About 42% of offshore borrowings hedged via interest rate swaps

1. Based on total loans and borrowings principal attributable to Unitholdings divided by total assets attributable to Unitholders. MAS gearing ratio was raised from 45% to 50% on 16 April 2020, to provide S-REITs greater flexibility to manage their capital structure and to raise debt financing.
2. Average cost of debt will be approximately 5.3% per annum if amortisation of loan establishment fee is included.
3. Interest coverage ratio ("ICR") means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees. The adjusted ICR is the same as the ICR.



Anchoring Foundations. Staying Resilient.



Portfolio Updates



Photo of Chengdu Konggang

Portfolio Overview

MULTI-TENANTED



Beijing Wanliu



Chengdu Konggang



Hefei Mengchenglu



Hefei Changjiangxilu



MASTER-LEASED



Xining Huayuan



Dalian Jinsanjiao



Resilient Community-Focused Portfolio

Recurring Neighbourhood Traffic

Gross Floor
Area¹
311,691
sqm

Valuation²
RMB 4,703m

Committed
Occupancy
Rate¹
95.2%

- One-stop destination malls that serve adjacent communities
- Surrounded by densely populated residential properties
- Strong focus on experiential and lifestyle segments
- Underpinned by rising resident income and domestic consumption

1. As at 31 December 2022.

2. Based on independent valuation from Colliers International (Hong Kong) Limited as at 31 December 2022



Track Record of High Occupancy Rate and Healthy Leasing Demand

| OCCUPANCY RATE | 2016 ¹ | 2017 ¹ | 2018 ¹ | 2019 ¹ | 2020 ¹ | 2021 ¹ | 2022 ¹ |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
| ● Beijing Wanliu | 99.5% | 100% | 100% | 96.2% | 92.7% | 96.1% | 94.1% |
| ● Chengdu Konggang | 91.3% | 96.8% | 97.0% | 94.7% | 96.4% | 98.0% | 96.6% |
| ● Hefei Mengchenglu | 100.0% | 100.0% | 96.2% | 95.1% | 81.7% ³ | 91.3% | 91.1% |
| ● Hefei Changjiangxilu ² | N.A. | N.A. | N.A. | 97.6% | 92.4% | 98.2% | 92.7% |
| ● Xining Huayuan | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| ● Dalian Jinsanjiao | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Portfolio (NLA Weighted) | 97.6% | 99.7% | 98.7% | 96.7% | 93.5% | 97.0% | 95.2% |

● Multi-tenanted ● Master-leased

1. As at 31 December.
2. Hefei Changjiangxilu Mall was acquired on 2 April 2019.
3. This was due to ongoing tenancy rejuvenation.



北京华联蒙城路购物中心
BHG Mall



Revitalising Tenancies Enhancing Experiences

In FY 2022, we sought out opportunities to improve the overall experience and appeal of our assets to shoppers and tenants

Proactive Asset Management Amidst COVID-19

Hefei Mengchenglu (2022):
Completion of new entrance to enhance accessibility and improve shopper traffic flow and connectivity between ground and basement levels



Chengdu Konggang (2022):
Rejuvenation of exterior area, Yuelai Square, with appealing F&B pushcarts and container-style stores



New Relevant Lifestyle and Sustainable Offerings

Huawei 华为



Samsung 三星



SUBARU 斯巴鲁



Honor 荣耀



Huawei 华为



@ Chengdu Konggang

@ Hefei Changjiangxilu

@ Hefei Changjiangxilu

Popular Children, Fashion and Retail Offerings

Chow Tai Fook 周大福



@ Hefei Mengchenglu

HLA 海澜之家



@ Beijing Wanliu

WOW Colour



@ Chengdu Konggang

Prima Rider 谱瑞玛



@ Beijing Wanliu

ANTA Kids 安踏儿童



@ Chengdu Konggang

Children's Gym 赫石小超人少儿体能



@ Beijing Wanliu

Popular Dining Selections - Local Favourites

Han Gong Yan 韩宫宴



Shen Hai Paper Wrapped Fish 深海纸包鱼



Xiangcun Story 湘村故事



Zhang Liang Mala Soup 张亮麻辣烫



Popular Dining Selections - Western Cafes and Restaurants

Pizza Hut 必胜客



@ Chengdu Konggang

Western View 西璟西餐



@ Beijing Wanliu

Papa Johns 棒!约翰



@ Beijing Wanliu

Haagen-Dazs 哈根达斯



@ Beijing Wanliu



Engaging Communities

- *Customers continue to desire social interactions and physical events*
- *We continued to engage with surrounding communities through various physical events during the year*

Children & Family Activities



Children & Family Activities



Water Gun Battle @ Chengdu Konggang



Cosplay Event @ Beijing Wanliu



Chess Tournament @ Beijing Wanliu

Children & Family Activities



Children's Performance @ Chengdu Konggang



Children's Carnival @ Chengdu Konggang



Parent-Child Art & Craft @ Beijing Wanliu



Our Sustainability Journey

Environmental, Social and Governance (ESG)



Our Sustainability Journey

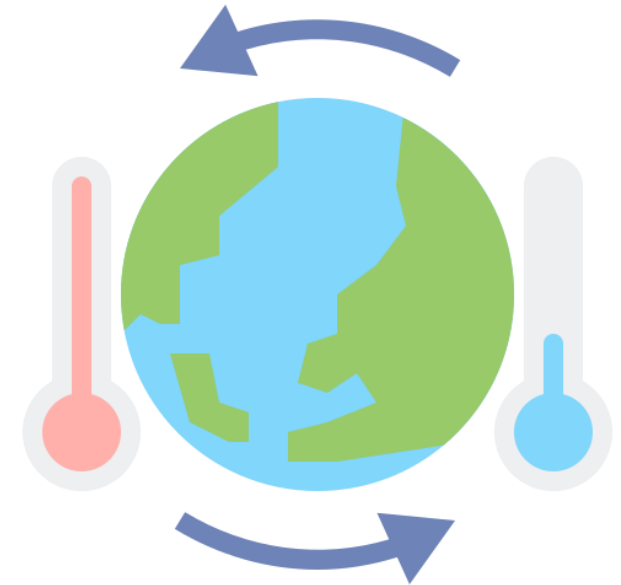
Environmental, Social and Governance (ESG)

Background

- **We are cognisant of ESG issues that are relevant for BHG Retail REIT and our stakeholders**
- **Proactively strive to consider and address these ESG issues during our business strategy formulation**
- **Started annual sustainability reporting and issued first Sustainability Report in FY 2018**

Climate Change

- **We recognise that climate change has a widespread and severe impact on the environment we live in**
- **Constantly finding ways to reduce carbon emissions and started exploring innovative solutions for our retail properties**
- **Started climate risk assessment and scenario analysis in FY 2021 for our retail properties located in China**



Our Sustainability Journey: Environmental

Water Management

Implemented practices to control and manage water wastage. Such as:

- ✓ Utilising water-efficient flushing cisterns;
- ✓ Installing motion sensor water faucets;
- ✓ Reducing tap flow rate



Energy Efficiency

Established energy savings plan to ensure energy efficiency through lighting management efforts and optimisation of air-conditioning system output, such as:

- ✓ Installing motion sensor-based & timing-controlled lights and LED lights;
- ✓ Installing air curtains, strip curtains and sunshades to dissipate excess heat, keeping the mall interior cool without requiring a high system output;
- ✓ Regular readjustment of system output based on actual weather conditions and temperature to minimise energy wastage



Our Sustainability Journey: Social (CSR Initiatives)

CNY Gift Packs to Elderly 孤寡老人爱心慰问活动



Tree Planting Programme 植树节



Movies for the Disabled 残疾人公益观影活动



Calligraphy Workshop with Visually Impaired Artist



Our Sustainability Journey: Governance

| Awards | Results | Year |
|--|-----------------|-------------|
| 1 Best Retail REIT (for companies with less than US\$1 billion in market capitalisation) Asia Pacific Best of the Breed REITs Awards 2023™ | Platinum | 2023 |
| 2 Best Investor Relations Asia Pacific Best of the Breed REITs Awards 2023™ | Platinum | 2023 |
| 3 Best Corporate Communications and Investor Relations Team (The Global CSR & ESG Awards 2022™) | Platinum | 2022 |
| 4 Best Community Programme Award (The Global CSR & ESG Awards 2022™) | Platinum | 2022 |
| 5 CSR & ESG Leadership Award (The Global CSR & ESG Awards 2022™) | Platinum | 2022 |



Looking Forward



Photo of Beijing Wanliu

China Macroeconomic Outlook

| China | FY 2022 | Look Forward |
|---|---------|---|
| GDP Growth (year-on-year) | +3.0% | <ul style="list-style-type: none"> China's gross domestic product¹ ("GDP") for 2022 increased 3.0% year-on-year from RMB 114.4 trillion to RMB 121.0 trillion, beating market consensus of 1.8% expansion² |
| Disposable income per capita of urban residents (year-on-year) | +4.1% | <ul style="list-style-type: none"> Disposable income per capita of urban residents grew 4.1% year-on-year in 2022 while retail sales of consumer goods fell 0.2% year-on-year¹ |
| Retail Sales of Consumer Goods Growth (year-on-year) | -0.2% | <ul style="list-style-type: none"> The International Monetary Fund (IMF) raised its China's GDP outlook for 2023, from 4.4% in October 2022 to 5.2% in January 2023, which was supported by the re-opening of the economy following the lifting of its COVID-19 restrictions³ China's shift from its zero COVID-19 policy to the re-opening of its borders since early December 2022 is seen as largely beneficial to the real estate sector, with the retail sector set to be one of the main beneficiaries. Retailer expansion is expected to pick up from 2Q 2023, underpinned by a rising demand for prime retail space and bottoming of rents⁴ |

1. Source: National Bureau of Statistics of China.

2. The Business Times (17 January 2023): China's economy expands 3% in 2022 as zero-Covid policy hurts growth.

3. IMF (30 January 2023): Global economy to slow further amid signs of resilience and China re-opening.

4. CBRE (December 2022): China's shift from zero-covid to reopening seen as hugely beneficial to real estate.



Looking Forward

The Manager remains focused and committed to proactively managing the existing portfolio, as well as to pursue growth.

Creating Organic Value

Proactive Asset Management

- Reinforce community positioning of our malls
- Improve rent while maintaining healthy occupancy rates
- Build firm partnerships with tenants, and demonstrate proactive tenant management
- Proactive marketing strategies
- Tap on the Sponsor's (Beijing Hualian Department Store Co., Ltd.) and Beijing Hualian Group's retail network and experience

Proactive Asset Enhancement

- Identify opportunities to improve the malls
- Achieve better efficiency and higher rental potential
- Upgrade existing facilities and reconfigure existing spaces

Pursuing Acquisition Growth

- Completed acquisition of Hefei Changjiangxilu in April 2019.
- We will continue to explore acquisition opportunities in relation to quality income-producing properties from the Sponsor's pipeline as well as third-party vendors.



Photo of Beijing Wanliu



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Thank you

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