

**BHG Retail REIT and its Subsidiaries**  
**(Constituted in the Republic of Singapore pursuant**  
**to a Trust Deed dated 18 November 2015)**

Unaudited Interim Financial Information  
Six-month period ended 30 June 2022

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**Statements of Financial Position**  
**As at 30 June 2022**

	Note	Group		REIT	
		30/6/2022 S\$'000	31/12/2021 S\$'000	30/6/2022 S\$'000	31/12/2021 S\$'000
<b>Non-current assets</b>					
Investment properties	3	970,989	992,686	–	–
Plant and equipment		662	672	–	–
Interests in subsidiaries		–	–	585,438	590,995
Deferred tax assets		64	58	–	–
		<u>971,715</u>	<u>993,416</u>	<u>585,438</u>	<u>590,995</u>
<b>Current assets</b>					
Trade and other receivables		8,100	2,689	966	375
Cash and cash equivalents	4	35,595	48,483	2,286	2,666
		<u>43,695</u>	<u>51,172</u>	<u>3,252</u>	<u>3,041</u>
<b>Total assets</b>		<u>1,015,410</u>	<u>1,044,588</u>	<u>588,690</u>	<u>594,036</u>
<b>Non-current liabilities</b>					
Loans and borrowings	5	290,202	–	244,151	–
Trade and other payables		2,351	1,902	22,521	59,162
Security deposits		7,893	4,910	–	–
Deferred tax liabilities		40,180	41,085	–	–
		<u>340,626</u>	<u>47,897</u>	<u>266,672</u>	<u>59,162</u>
<b>Current liabilities</b>					
Loans and borrowings	5	4,242	295,454	2,000	243,267
Trade and other payables		21,380	22,795	53,152	12,809
Security deposits		12,665	16,971	–	–
Current tax liabilities		3,314	3,640	–	–
Derivative liabilities	6	–	993	–	993
		<u>41,601</u>	<u>339,853</u>	<u>55,152</u>	<u>257,069</u>
<b>Total liabilities</b>		<u>382,227</u>	<u>387,750</u>	<u>321,824</u>	<u>316,231</u>
<b>Net assets</b>		<u>633,183</u>	<u>656,838</u>	<u>266,866</u>	<u>277,805</u>
<b>Represented by:</b>					
Unitholders' funds		452,778	471,154	266,866	277,805
Non-controlling interests		180,405	185,684	–	–
		<u>633,183</u>	<u>656,838</u>	<u>266,866</u>	<u>277,805</u>
<b>Units in issue ('000)</b>	7	<u>513,186</u>	<u>512,451</u>	<u>513,186</u>	<u>512,451</u>

**Statement of Total Return**  
**Six-month period ended 30 June 2022**

	Note	Group	
		Six-month period ended 30/6/2022 S\$'000	Six-month period ended 30/6/2021 S\$'000
Gross Revenue		35,576	34,333
Property operating expenses		(14,569)	(13,705)
<b>Net property income</b>		<u>21,007</u>	<u>20,628</u>
Other income		535	414
Manager's base fee		(478)	(769)
Manager's performance fee		–	(534)
Trustee's fees		(80)	(79)
Other expenses		(898)	(518)
Finance income	9	142	65
Foreign exchange (loss)/gain - realised		(777)	261
Finance cost	9	<u>(7,468)</u>	<u>(6,939)</u>
<b>Total return before unrealised foreign exchange loss</b>		11,983	12,529
Foreign exchange loss - unrealised		(96)	(1,025)
<b>Total return for the period before taxation</b>		<u>11,887</u>	<u>11,504</u>
Taxation	10	(4,006)	(3,732)
<b>Total return for the period after taxation</b>		<u>7,881</u>	<u>7,772</u>
<b>Attributable to:</b>			
Unitholders		3,786	4,093
Non-controlling interests		4,095	3,679
<b>Total return for the period after taxation</b>		<u>7,881</u>	<u>7,772</u>
<b>Earnings per Unit (cents)</b>	11		
- Basic		0.74	0.80
- Diluted		<u>0.74</u>	<u>0.80</u>

**Distribution Statement**  
**Six-month period ended 30 June 2022**

	<b>Group</b>	
	<b>Six-month period ended 30/6/2022 S\$'000</b>	<b>Six-month period ended 30/6/2021 S\$'000</b>
<b>Amount available for distribution to Unitholders at beginning of the period</b>	5,548	5,336
Total return for the period attributable to Unitholders	3,786	4,093
Distribution adjustments (Note A)	516	2,298
Income for the period available for distribution to Unitholders	4,302	6,391
Amount retained <sup>(1)</sup>	(430)	(639)
Income for the period to be distributed to Unitholders	3,872	5,752
<b>Distribution to Unitholders during the period:</b>		
- Distribution of 1.06 cents per Unit for period from 1 July 2020 to 31 December 2020	–	(5,163)
- Distribution of 1.05 cents per Unit for period from 1 July 2021 to 31 December 2021	(5,388)	–
	(5,388)	(5,163)
<b>Amount available for distribution to Unitholders at end of the period</b>	4,032	5,925
<b>Distribution per unit (cents) <sup>(2)</sup></b>	0.76	1.12

<sup>(1)</sup> For the period ended 30 June 2022, approximately S\$0.4 million (30 June 2021: S\$0.6 million) of the amount available for distribution has been retained for operational expenses and working capital requirements of the REIT.

<sup>(2)</sup> The distribution per unit relates to the distributions in respect of the relevant financial period.

The distribution relating to 1 January 2022 to 30 June 2022 will be paid within 90 days from the end of the distribution period, in accordance with the provisions of the Trust Deed.

**Distribution Statement (cont'd)**  
**Six-month period ended 30 June 2022**

*Note A – Distribution adjustments*

	<b>Group</b>	
	<b>Six-month period ended 30/6/2022 S\$'000</b>	<b>Six-month period ended 30/6/2021 S\$'000</b>
<b>Distribution adjustment items:</b>		
- Amortisation of debt establishment costs	1,118	1,233
- Deferred taxation <sup>(1)</sup>	(24)	301
- Property Manager's management fees paid/payable in Units	–	407
- Transfer to statutory reserve	(737)	(700)
- Other adjustments <sup>(1)</sup>	159	1,057
<b>Net effect of distribution adjustments</b>	<b>516</b>	<b>2,298</b>

<sup>(1)</sup> Excludes share attributable to non-controlling interests.

**Statements of Movements in Unitholders' Funds**  
**Six-month period ended 30 June 2022**

	<b>Group</b>		<b>REIT</b>	
	<b>Six-month period ended 30/6/2022 S\$'000</b>	<b>Six-month period ended 30/6/2021 S\$'000</b>	<b>Six-month period ended 30/6/2022 S\$'000</b>	<b>Six-month period ended 30/6/2021 S\$'000</b>
<b>Unitholders' funds as at beginning of the period</b>	471,154	439,256	277,805	288,726
<b>Operations</b>				
Total return for the period after taxation attributable to Unitholders	3,786	4,093	(6,544)	(3,227)
Transfer to statutory reserve	(737)	(700)	–	–
<b>Net increase/(decrease) in net assets resulting from operations</b>	<b>3,049</b>	<b>3,393</b>	<b>(6,544)</b>	<b>(3,227)</b>
<b>Hedging reserve</b>				
Effective portion of changes in fair value of cash flow hedges	993	1,271	993	1,271
<b>Foreign currency translation reserve</b>				
Translation differences from financial statements of foreign operations	(17,767)	17,116	–	–
<b>Statutory reserve</b>				
Transfer from operations	737	700	–	–
<b>Unitholders' transactions</b>				
Creation of Units paid/payable to manager				
- Units issued and to be issued as satisfaction of the portion of Property Manager's management fees payable in Units	–	407	–	407
Distributions to Unitholders	(5,388)	(5,163)	(5,388)	(5,163)
	(5,388)	(4,756)	(5,388)	(4,756)
<b>Unitholders' funds as at end of the period</b>	<b>452,778</b>	<b>456,980</b>	<b>266,866</b>	<b>282,014</b>

**Portfolio Statement**  
**As at 30 June 2022**

Group	Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Lease expiry	Valuation as at		Valuation as at		Percentage of Unitholders' funds	
						30/6/2022 RMB'000	31/12/2021 RMB'000	30/6/2022 S\$'000	31/12/2021 S\$'000	30/6/2022 %	31/12/2021 %
	Beijing Wanliu	No.2 Bagou Road, Haidian District, Beijing	30	22 <sup>(1)</sup>	2044	2,511,500	2,511,500	521,299	532,948	115	113
	Chengdu Konggang	No. 166 Jinhua Road second section, Shuangliu County, Chengdu	32	24	2047	663,000	663,000	137,616	140,691	30	31
	Hefei Mengchenglu	No.99 Mengcheng Road, Luyang District, Hefei	30	22	2044	584,000	584,000	121,218	123,927	27	26
	Hefei Changjiangxilu	No. 639 Changjiangxilu Road, Shushan District, Hefei	30	20	2043	480,500	480,500	99,735	101,963	22	22
	Xining Huayuan	Nos.16-19 Shipo street, Chengzhong District, Xining	34	26	2048	274,000	274,000	56,873	58,144	13	12
	Dalian Jinsanjiao	No.18 Huadong Road, Ganjingzi District, Dalian	33	17	2042	165,000	165,000	34,248	35,013	8	7
	Investment properties, at valuation							970,989	992,686	215	211
	Other assets and liabilities (net)							(337,806)	(335,848)	(75)	(71)
	Net assets							633,183	656,838	140	140
	Net assets attributable to non-controlling interests							(180,405)	(185,684)	(40)	(40)
	Net assets attributable to Unitholders							452,778	471,154	100	100

<sup>(1)</sup> 32 years of remaining term lease for underground car parking use.



**Statement of Cash Flows**  
**Six-month period ended 30 June 2022**

	Note	Group	
		Six-month period ended 30/6/2022 S\$'000	Six-month period ended 30/6/2021 S\$'000
<b>Cash flows from operating activities</b>			
Total return for the period before taxation		11,887	11,504
Adjustments for:			
Finance income		(142)	(65)
Finance costs		7,468	6,939
Loss on disposal of plant and equipment		1	1
Depreciation of plant and equipment		54	56
Property Manager's management fees paid/payable in Units	(i)	–	407
Foreign exchange loss – unrealised		96	1,025
<b>Operating income before working capital changes</b>		<b>19,364</b>	<b>19,867</b>
<b>Changes in:</b>			
Trade and other receivables		(5,286)	290
Trade and other payables		(2,642)	(78)
<b>Cash generated from operating activities</b>		<b>11,436</b>	<b>20,079</b>
Tax paid		(4,273)	(2,846)
<b>Net cash generated from operating activities</b>		<b>7,163</b>	<b>17,233</b>
<b>Cash flows from investing activities</b>			
Capital expenditure on investment properties		(2,109)	(1,354)
Purchase of plant and equipment		(60)	(100)
Interest received		142	65
<b>Net cash used in investing activities</b>		<b>(2,027)</b>	<b>(1,389)</b>
<b>Cash flows from financing activities</b>			
Distribution to Unitholders		(5,388)	(5,163)
Dividend paid to non-controlling interests		(4,767)	(4,310)
Increase in restricted cash		(1,795)	–
Proceeds from borrowings		12,846	–
Repayment of borrowings		(8,451)	(618)
Net settlement of derivative contracts		(499)	(802)
Payment of transaction costs related to loans and borrowings		(6,214)	(25)
Interest paid		(4,756)	(4,805)
<b>Net cash used in financing activities</b>		<b>(19,024)</b>	<b>(15,723)</b>

**Statement of Cash Flows (cont'd)**  
**Six-month period ended 30 June 2022**

	Note	Group	
		Six-month period ended 30/6/2022 S\$'000	Six-month period ended 30/6/2021 S\$'000
<b>(Decrease)/increase in cash and cash equivalents</b>		(13,888)	121
Cash and cash equivalents at 1 January		46,559	44,226
Effect of foreign exchange rate changes on cash balances		(796)	1,161
<b>Cash and cash equivalents at 30 June</b>		<u>31,875</u>	<u>45,508</u>

*Notes:*

***Significant non-cash transactions***

- (i) For the financial period ended 30 June 2021, the Property Manager's management fees for the period was S\$407,000 which was paid through the issuance of 732,000 units subsequent to the period end.

## **Notes to the Interim Financial Information**

These notes form an integral part of the interim financial information.

### **1. General**

BHG Retail REIT (the “REIT”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 18 November 2015 (as amended by a first supplemental deed dated 26 March 2018 and a second supplemental deed dated 20 April 2018) (collectively the “Trust Deed”) between BHG Retail Trust Management Pte. Ltd. (the “Manager”) and DBS Trustee Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the REIT held by it or through its subsidiaries (the “Group”) in trust for the holders of units (“Units”) in the REIT.

The REIT was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 11 December 2015 (the “Listing Date”).

The principal activities of the REIT are those relating to investment in a diversified portfolio of income-producing properties located primarily in the People’s Republic of China (“China”) and used primarily for retail purposes.

The principal activities of the subsidiaries are those of investment holding of properties located in China and used for retail purposes.

The consolidated interim financial information (“Financial Information”) relate to the Trust and its subsidiaries (the “Group”).

The Group has entered into several service agreements in relation to the management of the REIT and its property operations. The main fee structures for these services are as follows:

#### **(i) Trustee’s fees**

Pursuant to Clause 15.5 of the Trust Deed, the Trustee’s fees shall not exceed 0.1% per annum of the value of deposited property, subject to a minimum of S\$10,000 per month, excluding out-of-pocket expenses and Goods and Services Tax.

#### **(ii) Manager’s management fees**

The Manager is entitled under Clauses 15.1 of the Trust Deed to the following management fees:

- a base fee of 10% per annum of the annual distributable income; and
- a performance fee of 25% per annum of the difference in distribution per unit (“DPU”) in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

The Manager may elect to receive the management fees in cash or Units or a combination of cash and/or Units (as it may in its sole discretion determine).

**(iii) Property management fees**

Under the property management agreement in respect of each property, the property manager (“Property Manager”) will provide lease management services, property management services and marketing co-ordination services in relation to the property. The Property Manager is entitled to the following fees:

- 2% per annum of the gross revenue of the property;
- 2.5% per annum of the net property income of the property; and
- a one-time lease-up commission of 2 months of fixed rent for securing of new tenants for a tenancy of at least three years, commencing for new tenancies entered into from 1 January 2018.

The property management fees are payable to the Property Manager in the form of cash and/or Units.

**2. Basis of preparation**

The financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice (“RAP”) 7 Reporting Framework for Unit Trusts issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2021. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards (“SFRS”).

The Financial Information does not contain all of the information required for full annual financial statements.

The Financial Information has been prepared on a historical cost basis, except for the investment properties and financial derivatives which are stated at their fair values.

The Financial Information is presented in Singapore dollars which is the Trust’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

The preparation of the financial information in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this Financial Information, significant judgements made by the Manager in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

The accounting policies applied by the Group in this Financial Information are the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2021. The adoption of these new and revised standards did not have a material impact on the Group's Financial Information.

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing this Financial Information.

### 3. Investment properties

	<b>Group</b>	
	<b>30/6/2022</b>	<b>31/12/2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
At beginning of the period	992,686	943,187
Additions during the period	2,109	2,687
	994,795	945,874
Changes in fair value	–	(311)
Translation differences	(23,806)	47,123
At end of the period	970,989	992,686

Investment properties comprise retail properties that are held mainly for use by tenants under operating leases. (see Portfolio Statement for details)

#### **Measurement of fair value**

The fair value of investment properties were determined by external independent valuers having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. Valuations of the investment properties are carried out at least once a year. Investment properties were not revalued for the purposes of interim financial reporting as at 30 June 2022. The Manager believes that the carrying amount of the investment properties reflects their respective valuations as at 30 June 2022, and a reassessment will be carried out at year end.

The valuers have considered valuation techniques including the discounted cash flow method and capitalisation approach method. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates.

The valuation technique(s) considered by valuers for each property is in line with market practices generally adopted in the jurisdiction in which the property is located.

#### 4. Cash and cash equivalents

	Group		REIT	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at banks and in hand	35,595	48,483	2,286	2,666
Restricted cash	(3,720)	(1,924)	(2,018)	(1,924)
Cash and cash equivalents in statement of cash flow	31,875	46,559	268	742

#### 5. Loans and borrowings

	Group		REIT	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	S\$'000	S\$'000	S\$'000	S\$'000
Unsecured loan	–	5,000	–	5,000
Secured loans	300,148	291,106	251,647	238,904
Less: Unamortised transaction costs	(5,704)	(652)	(5,496)	(637)
	294,444	295,454	246,151	243,267
Current	4,242	295,454	2,000	243,267
Non-current	290,202	–	244,151	–
	294,444	295,454	246,151	243,267

#### *Facilities and securities*

The Group has put in place two onshore secured borrowing facilities of RMB 192.5 million and RMB 104.5 million respectively which in total is equivalent to S\$63.4 million, and an offshore secured borrowing facility of S\$252.0 million. As at 30 June 2022, the S\$252.0 million offshore facility was fully drawn down, while RMB 178.5 million and RMB 55.2 million were drawn down from RMB 192.5 million and RMB 104.5 million onshore facilities respectively. During the period ended 30 June 2022, the Group had repaid RMB 14.0 million (30 June 2021: RMB 3.0 million) of the onshore facilities, in accordance with the facility agreements.

The onshore facilities are collectively secured by a legal mortgage over the Group's investment properties, and a pledge over the receivables of the six (30 June 2021: six) subsidiaries in China.

The offshore facility is secured by way of a charge on 100% REIT's shareholding in the Singapore holding companies, an equity pledge on Petra 1 (China) Mall Pte. Ltd.'s 60% equity interest in Beijing Hualian Wanmao Shopping Mall Management Co., Ltd., and equity pledges on the remaining five (30 June 2021: five) Singapore holding companies' 100% equity interest in the respective subsidiaries in China.

In addition to the above facilities, the REIT has obtained and drawn down from other secured bank facilities an amount totalling S\$5.0 million during the financial period ended 30 June 2021. The REIT had repaid S\$5.0 million of the bank facility during the period ended 30 June 2022.

## 6. Financial Derivatives

	<b>Group and REIT</b>	
	<b>30/6/2022</b>	<b>31/12/2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Derivative liabilities</b>		
Interest rate swaps used for hedging	–	993
	–	993
Current	–	993
Non-current	–	–
	–	993

### Interest rate swaps

The Group's and the REIT's use interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing term loans by swapping the interest expense on a proportion of these term loans from floating rates to fixed rates.

The Group's and the REIT's interest rate swaps were matured and settled during the financial period ended 30 June 2022. In 2021, interest rate swaps of the Group and the REIT with a total notional amount of S\$145.2 million and S\$145.2 million respectively, have been entered into at the reporting date to provide fixed rate funding for average terms of 3 years at an average interest rate of 1.84% per annum. These interest rate swaps are designated as hedging instruments in cash flow hedges. The fair value of financial derivatives as represented 0.15% of the net assets of the Group as at 31 December 2021. Subsequent to the reporting period, the Group and the REIT entered into new interest rate swaps with a total notional amount of S\$84.0 million and S\$84.0 million respectively to provide fixed rate funding for average 2.7 years term at an average interest rate of 2.62% per annum.

## 7. Units in issue

	<b>30/6/2022</b>	<b>31/12/2021</b>
	<b>Number</b>	<b>Number</b>
	<b>of Units</b>	<b>of Units</b>
	<b>'000</b>	<b>'000</b>
<b>Balance as at beginning of the period/year</b>	512,451	510,995
<b>Issue of new Units relating to:</b>		
- payment of Property Manager's management fees	735	1,456
<b>Total issued Units as at end of the period/year</b>	513,186	512,451
<b>Units to be issued:</b>		
- payment of Property Manager's management fees	–	735
<b>Total Units in issue and to be issued at the end of period/year</b>	513,186	513,186

## 8. Net asset value per unit

	Group		REIT	
	30/6/2022 S\$'000	31/12/2021 S\$'000	30/6/2022 S\$'000	31/12/2021 S\$'000
Net asset value per Unit is based on:				
Net assets attributable to Unitholders	452,778	471,154	266,866	277,805
Number of Units in issue and to be issued at end of period/year ('000)	513,186	513,186	513,186	513,186
Net asset value per unit (S\$ cents)	0.88	0.92	0.52	0.54

Net asset value per unit and net tangible asset per unit is the same amount and both are calculated based on the number of units in issue as at the respective period end.

## 9. Finance income and finance cost

	Group	
	Six-month period ended 30/6/2022 S\$'000	Six-month period ended 30/6/2021 S\$'000
Finance income:		
- financial institutions	142	65
Finance costs:		
- loans and borrowings	(7,468)	(6,939)
<b>Net finance costs recognised in statement of total return</b>	<u>(7,326)</u>	<u>(6,874)</u>

## 10. Taxation

	Group	
	Six-month period ended 30/6/2022 S\$'000	Six-month period ended 30/6/2021 S\$'000
<b><i>Current taxation</i></b>		
Current year	3,633	3,390
Withholding tax	397	41
	<u>4,030</u>	<u>3,431</u>
<b><i>Deferred taxation</i></b>		
Origination of temporary differences	(24)	301
<b>Income tax expense</b>	<u>4,006</u>	<u>3,732</u>



## 11. Earnings per Unit

### Basic earnings per Unit

The calculation of basic earnings per Unit is based on weighted average number of Units during the period and total return for the period after taxation and non-controlling interests.

	<b>Group</b>	
	<b>Six-month period ended 30/6/2022 S\$'000</b>	<b>Six-month period ended 30/6/2021 S\$'000</b>
Total return for the period after taxation and non-controlling interests	3,786	4,093
Issued Units		
- As at beginning of the period	512,451	510,995
- Property Manager's management fees paid/payable in Units	463	915
Weighted average number of issued and issuable Units at end of the period	512,914	511,910

### Diluted earnings per Unit

The calculation of diluted earnings per Unit is based on weighted average number of Units during the period and total return for the period after taxation and non-controlling interests.

	<b>Group</b>	
	<b>Six-month period ended 30/6/2022 S\$'000</b>	<b>Six-month period ended 30/6/2021 S\$'000</b>
Total return for the period after taxation and non-controlling interests	3,786	4,093
	<b>Number of Units '000</b>	<b>Number of Units '000</b>
Issued Units		
- As at beginning of the period	512,451	510,995
- Property Manager's management fees paid/payable in Units	735	1,455
Weighted average number of issued and issuable Units at end of the period	513,186	512,450

## 12. Financial ratios

	Group	
	30/6/2022	31/12/2021
	%	%
Ratio of expenses to average net asset value <sup>(1)</sup>	0.62	0.72
Ratio of expenses to net asset value <sup>(2)</sup>	5.05	4.89

Notes:

- <sup>(1)</sup> The annualised ratio is computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group level, excluding property related expenses and borrowing costs.
- <sup>(2)</sup> The annualised ratio is computed based on total operating expenses, including all fees and charges paid to the Manager and related parties for the financial period (2022: S\$32,007,000 and 2021: S\$32,114,000) and as a percentage of net asset value as at the financial period end.

## 13. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## **14. Operating segments**

The Group has 6 (2021: 6) reportable segments, as described below, which are the Group's investment properties. The investment properties are managed separately because they require different operating and marketing strategies. For each of the investment properties, the Chief Operating Decision-Makers ("CODMs") review internal management reports on a monthly basis.

All of the Group's reportable segments are investment properties located in China used primarily for retail purposes. The reporting segments are as follows:

- Beijing Hualian Wanmao Shopping Mall Management Co., Ltd. ("Beijing Wanliu")
- Chengdu Hairong Xingda Real Property Co., Ltd. ("Chengdu Konggang")
- Hefei Hualian Rui An Shopping Mall Commercial Operation Co., Ltd. ("Hefei Mengchenglu")
- Hefei Hualian Ruicheng Shopping Plaza Commercial Operation Ltd. ("Hefei Changjiangxilu")
- Qinghai Xinglian Real Property Co., Ltd. ("Xining Huayuan")
- Dalian Hualian Commercial Facilities Operation Co., Ltd. ("Dalian Jinsanjiao")

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODMs for the purpose of assessment of segment performance. In addition, the CODMs monitor the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the REIT's financial assets and liabilities and its expenses. Segment capital expenditure is the total cost incurred during the year to improve segment assets that are expected to be used for more than one year.

Information regarding the Group's reportable segments is presented in the tables in the following pages.

For the purpose of monitoring segment performance, the Group's CODMs monitor the non-financial assets as well as financial assets attributable to each segment.

**Information about reportable segments**

	<b>Beijing Wanliu SS'000</b>	<b>Chengdu Konggang SS'000</b>	<b>Hefei Mengchenglu SS'000</b>	<b>Hefei Changjiangxilu SS'000</b>	<b>Xining Huayuan SS'000</b>	<b>Dalian Jinsanjiao SS'000</b>	<b>Total SS'000</b>
<b>Six-month period ended 30/6/2022</b>							
<b>External revenues:</b>							
- Gross rental income	19,198	5,898	1,697	3,360	1,788	1,253	33,194
- Others	1,277	500	273	332	–	–	2,382
- Gross revenue	<u>20,475</u>	<u>6,398</u>	<u>1,970</u>	<u>3,692</u>	<u>1,788</u>	<u>1,253</u>	<u>35,576</u>
<b>Segment net property income</b>	<u>13,291</u>	<u>3,248</u>	<u>151</u>	<u>1,543</u>	<u>1,632</u>	<u>1,142</u>	<u>21,007</u>
<b>Finance income</b>	<u>38</u>	<u>793</u>	<u>697</u>	<u>388</u>	<u>197</u>	<u>92</u>	<u>2,205</u>
<b>Finance costs</b>	<u>1,125</u>	<u>232</u>	<u>461</u>	<u>118</u>	<u>40</u>	<u>–</u>	<u>1,976</u>
<b>Reportable segment total return before taxation</b>	<u>12,189</u>	<u>3,216</u>	<u>(86)</u>	<u>1,524</u>	<u>1,664</u>	<u>1,219</u>	<u>19,726</u>
<b>Segment assets</b>	<u>555,751</u>	<u>182,763</u>	<u>157,839</u>	<u>118,612</u>	<u>71,141</u>	<u>43,776</u>	<u>1,129,882</u>
<b>Segment liabilities</b>	<u>284,673</u>	<u>156,101</u>	<u>142,409</u>	<u>81,628</u>	<u>59,085</u>	<u>32,400</u>	<u>756,296</u>
<b>Other segment items:</b>							
Depreciation	13	20	7	14	–	–	54
Capital expenditure	<u>921</u>	<u>180</u>	<u>938</u>	<u>130</u>	<u>–</u>	<u>–</u>	<u>2,169</u>

**Information about reportable segments**

	<b>Beijing Wanliu SS'000</b>	<b>Chengdu Konggang SS'000</b>	<b>Hefei Mengchenglu SS'000</b>	<b>Hefei Changjiangxilu SS'000</b>	<b>Xining Huayuan SS'000</b>	<b>Dalian Jinsanjiao SS'000</b>	<b>Total SS'000</b>
<b>Six-month period ended 30/6/2021</b>							
<b>External revenues:</b>							
- Gross rental income	17,627	5,668	2,148	3,590	1,730	1,214	31,977
- Others	1,134	592	305	325	–	–	2,356
- Gross revenue	<u>18,761</u>	<u>6,260</u>	<u>2,453</u>	<u>3,915</u>	<u>1,730</u>	<u>1,214</u>	<u>34,333</u>
<b>Segment net property income</b>	<u>12,144</u>	<u>3,331</u>	<u>694</u>	<u>1,755</u>	<u>1,598</u>	<u>1,106</u>	<u>20,628</u>
<b>Finance income</b>	<u>47</u>	<u>676</u>	<u>689</u>	<u>292</u>	<u>140</u>	<u>83</u>	<u>1,927</u>
<b>Finance costs</b>	<u>1,150</u>	<u>314</u>	<u>483</u>	<u>88</u>	<u>–</u>	<u>–</u>	<u>2,035</u>
<b>Reportable segment total return before taxation</b>	<u>11,460</u>	<u>4,436</u>	<u>1,516</u>	<u>2,346</u>	<u>1,724</u>	<u>1,174</u>	<u>22,656</u>
<b>Segment assets*</b>	<u>575,484</u>	<u>184,609</u>	<u>159,457</u>	<u>120,012</u>	<u>68,471</u>	<u>43,749</u>	<u>1,151,782</u>
<b>Segment liabilities*</b>	<u>296,159</u>	<u>157,532</u>	<u>140,685</u>	<u>82,247</u>	<u>56,367</u>	<u>32,436</u>	<u>765,426</u>
<b>Other segment items:</b>							
Depreciation	11	22	7	16	–	–	56
Capital expenditure	<u>707</u>	<u>674</u>	<u>58</u>	<u>15</u>	<u>–</u>	<u>–</u>	<u>1,454</u>

\*Balance as at 31 December 2021 being disclosed for the purpose of reconciliations of reportable segment assets and liabilities.

**Reconciliations of reportable segment revenue, total return, assets and liabilities and other material items**

	<b>Six-month period ended 30/6/2022 S\$'000</b>	<b>Six-month period ended 30/6/2021 S\$'000</b>
<b>Revenue</b>		
Total revenue for reporting segments	35,576	34,333
<b>Total return</b>		
Total return for reportable segments before taxation	19,726	22,656
Unallocated amounts:		
- Other corporate expenses	(7,803)	(3,185)
Elimination of intercompany revenue	(36)	(7,967)
Total return before taxation	11,887	11,504

	<b>30/6/2022 S\$'000</b>	<b>Group 31/12/2021 S\$'000</b>
<b>Assets</b>		
Total assets for reportable segments	1,129,882	1,151,782
Other unallocated amounts	588,689	594,036
Elimination of intercompany balances	(703,161)	(701,230)
Consolidated assets	1,015,410	1,044,588
<b>Liabilities</b>		
Total liabilities for reportable segments	756,296	765,426
Other unallocated amounts	321,823	316,231
Elimination of intercompany balances	(695,892)	(693,907)
Consolidated liabilities	382,227	387,750

	<b>Reportable segment totals S\$'000</b>	<b>Other unallocated amounts S\$'000</b>	<b>Elimination of intercompany balances S\$'000</b>	<b>Consolidated totals S\$'000</b>
<b>Other material items</b>				
<b>30 June 2022</b>				
Finance income	2,205	–	(2,063)	142
Finance costs	(1,976)	(7,563)	2,071	(7,468)
<b>Other material items</b>				
<b>30 June 2021</b>				
Finance income	1,927	–	(1,862)	65
Finance costs	(2,035)	(6,775)	1,871	(6,939)

**Geographical segments**

All of the Group's investment properties are used for retail purposes and are located in China.

## Other information required by Listing Rule Appendix 7.2

### 1. Explanatory notes to consolidated interim financial information

#### Consolidated Statements of Total Return and Distribution Statement

	Six-month period ended 30/6/2022 (S\$'000)	Six-month period ended 30/6/2021 (S\$'000)	Change (%)
<b><u>Statement of Total Return</u></b>			
Gross revenue	35,576	34,333	3.6
Property operating expenses	(14,569)	(13,705)	6.3
<b>Net property income<sup>(1)</sup></b>	<b>21,007</b>	<b>20,628</b>	<b>1.8</b>
Other income <sup>(2)</sup>	535	414	29.2
Manager's base fee <sup>(3)</sup>	(478)	(769)	(37.8)
Manager's performance fee <sup>(3)</sup>	-	(534)	(100.0)
Trustee's fee	(80)	(79)	1.3
Other expenses	(898)	(518)	73.4
Finance income	142	65	>100.0
Foreign exchange (loss)/gain - realised <sup>(4)</sup>	(777)	261	>100.0
Finance cost <sup>(5)</sup>	(7,468)	(6,939)	7.6
<b>Total return before unrealised foreign loss</b>	<b>11,983</b>	<b>12,529</b>	<b>(4.4)</b>
Foreign exchange loss - unrealised	(96)	(1,025)	(90.6)
<b>Total return for the period before taxation</b>	<b>11,887</b>	<b>11,504</b>	<b>3.3</b>
Taxation	(4,006)	(3,732)	7.3
<b>Total return for the period after taxation</b>	<b>7,881</b>	<b>7,772</b>	<b>1.4</b>
<b>Attributable to:</b>			
Unitholders	3,786	4,093	(7.5)
Non-controlling interests	4,095	3,679	11.3
<b>Total return for the period after taxation</b>	<b>7,881</b>	<b>7,772</b>	<b>1.4</b>
<b>Earnings per Unit (cents)</b>			
- Basic	0.74	0.80	(7.5)
- Diluted	0.74	0.80	(7.5)

	Six-month period ended 30/6/2022 (S\$'000)	Six-month period ended 30/6/2021 (S\$'000)	Change (%)
<b><u>Distribution Statement</u></b>			
Total return for the period attributable to Unitholders	3,786	4,093	(7.5)
Distribution adjustments (Note A)	516	2,298	(77.5)
Income for the period available for distribution to Unitholders	4,302	6,391	<b>(32.7)</b>
Less: Amount retained	(430)	(639)	(32.7)
<b>Income for the period to be distributed to Unitholders</b>	<b>3,872</b>	<b>5,752</b>	<b>(32.7)</b>

	<b>Six-month period ended 30/6/2022 (S\$'000)</b>	<b>Six-month period ended 30/6/2021 (S\$'000)</b>	<b>Change (%)</b>
<u>Note A - Distribution adjustment items:</u>			
- Amortisation of debt establishment costs	1,118	1,233	(9.3)
- Deferred taxation <sup>(a)</sup>	(24)	301	>100.0
- Property management fees payable in Units	-	407	(100.0)
- Transfer to statutory reserve	(737)	(700)	5.3
- Other adjustments <sup>(a)</sup>	159	1,057	(85.0)
<b>Net effect of distribution adjustments</b>	<b>516</b>	<b>2,298</b>	<b>(77.5)</b>

<sup>(a)</sup> Excludes share attributable to non-controlling interests

**Footnotes:**

- (1) Increase in net property income mainly due to an improved portfolio occupancy rate of 97.6% as at 30 June 2022, versus 93.0% as at 30 June 2021.
- (2) Other income mainly comprised fine and penalties from tenants, government grant and miscellaneous income.
- (3) Manager's base management fee is calculated as 10.0% per annum of the Distributable Income of the Group. Manager's performance fee is calculated as 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.
- (4) Increase in realised foreign exchange loss mainly due to settlement of a previous USD denominated loans during the loan refinancing in mid-March 2022.
- (5) Increase in finance costs mainly due to one-off refinancing costs incurred during the loan refinancing in mid-March 2022.



**Consolidated Statements of Financial Position**

	<b>Group</b>		<b>REIT</b>	
	<b>30/6/2022</b>	<b>31/12/2021</b>	<b>30/6/2022</b>	<b>31/12/2021</b>
	<b>(S\$'000)</b>	<b>(S\$'000)</b>	<b>(S\$'000)</b>	<b>(S\$'000)</b>
<b>Non-current assets</b>				
Investment properties <sup>(1)</sup>	970,989	992,686	-	-
Plant and equipment	662	672	-	-
Interest in subsidiaries	-	-	585,438	590,995
Deferred tax assets	64	58	-	-
	<b>971,715</b>	<b>993,416</b>	<b>585,438</b>	<b>590,995</b>
<b>Current assets</b>				
Trade and other receivables <sup>(2)</sup>	8,100	2,689	966	375
Cash and cash equivalents	35,595	48,483	2,286	2,666
	<b>43,695</b>	<b>51,172</b>	<b>3,252</b>	<b>3,041</b>
<b>Total assets</b>	<b>1,015,410</b>	<b>1,044,588</b>	<b>588,690</b>	<b>594,036</b>
<b>Non-current liabilities</b>				
Loans and borrowings <sup>(3)</sup>	290,202	-	244,151	-
Trade and other payables <sup>(4)</sup>	2,351	1,902	22,521	59,162
Security deposits <sup>(5)</sup>	7,893	4,910	-	-
Deferred tax liabilities	40,180	41,085	-	-
	<b>340,626</b>	<b>47,897</b>	<b>266,672</b>	<b>59,162</b>
<b>Current liabilities</b>				
Loans and borrowings <sup>(3)</sup>	4,242	295,454	2,000	243,267
Trade and other payables <sup>(4)</sup>	21,380	22,795	53,152	12,809
Security deposits <sup>(5)</sup>	12,665	16,971	-	-
Current tax payable	3,314	3,640	-	-
Derivative liabilities <sup>(6)</sup>	-	993	-	993
	<b>41,601</b>	<b>339,853</b>	<b>55,152</b>	<b>257,069</b>
<b>Total liabilities</b>	<b>382,227</b>	<b>387,750</b>	<b>321,824</b>	<b>316,231</b>
<b>Net assets</b>	<b>633,183</b>	<b>656,838</b>	<b>266,866</b>	<b>277,805</b>
<b>Represented by:</b>				
Unitholders' funds	452,778	471,154	266,866	277,805
Non-controlling interests ("NCI")	180,405	185,684	-	-
	<b>633,183</b>	<b>656,838</b>	<b>266,866</b>	<b>277,805</b>
<b>Units in issue ('000)</b>	<b>513,186</b>	<b>512,451</b>	<b>513,186</b>	<b>512,451</b>

**Footnotes:**

- (1) The carrying amount of investment properties has decreased due mainly to the weakening of RMB against SGD. The effects of the COVID-19 pandemic in China remains fluid and will continue to evolve in the near-term. Assumptions to derive valuations amid these unprecedented times may be subjective and arbitrary, and the valuation process will contain valuation uncertainties. In accordance with the Code of Collective Investment Schemes, we conduct independent fair valuation of our investment properties annually at the end of each financial year. The Manager believes that the carrying amount of the investment properties reflects their respective valuations as at 30 June 2022, and a reassessment will be carried out at year-end.
- (2) Increase in trade and other receivables was mainly due to higher outstanding rents, higher prepayments to suppliers for malls' renovation works and higher receivable from GST input as compared to last financial year. However, there is no collectability issue as there are sufficient security deposits which can be used to cover the outstanding rent.
- (3) Loans and borrowings are measured at amortised cost. The Group and the REIT have completed the refinancing of the existing onshore and offshore facilities. Movement in the current liabilities and non-current liabilities are classified and/or reclassified in accordance with respective maturity dates.
- (4) The REIT arranged more long-term interest-bearing loans from its subsidiaries as compared to the last financial year. These loans are mainly used for the REIT's distribution payment and interest expenses.
- (5) Increase in long term security deposits was mainly due to the receipt of more security deposits from new and existing tenants with leases term of more than a year.
- (6) These relate to the fair value of the interest rate swaps entered into by the REIT, which are designated to hedge the variable rate borrowings. The interest rate swaps were matured and settled during the financial period ended 30 June 2022. Subsequent to the reporting date, the REIT entered into new interest rate swaps with total notional amount of S\$84.0 million.

**Consolidated Statement of Cash Flows**

	<b>Six-month period ended 30/6/2022 (S\$'000)</b>	<b>Six-month period ended 30/6/2021 (S\$'000)</b>
<b>Cash flows from operating activities</b>		
Total return for the period before taxation	11,887	11,504
Adjustments for:		
Finance income	(142)	(65)
Finance cost	7,468	6,939
Loss on disposal of plant and equipment	1	1
Depreciation of plant and equipment	54	56
Property Manager's management fees paid/payable in Units	-	407
Foreign exchange loss - unrealised	96	1,025
<b>Operating income before working capital changes</b>	<b>19,364</b>	<b>19,867</b>
<b>Changes in:</b>		
Trade and other receivables <sup>(1)</sup>	(5,286)	290
Trade and other payables	(2,642)	(78)
<b>Cash generated from operating activities</b>	<b>11,436</b>	<b>20,079</b>
Tax paid	(4,273)	(2,846)
<b>Net cash generated from operating activities</b>	<b>7,163</b>	<b>17,233</b>
<b>Cash flows from investing activities</b>		
Capital expenditure on investment properties	(2,109)	(1,354)
Purchase of plant and equipment	(60)	(100)
Interest received	142	65
<b>Net cash used in investing activities</b>	<b>(2,027)</b>	<b>(1,389)</b>
<b>Cash flows from financing activities</b>		
Distribution to unitholders	(5,388)	(5,163)
Dividend paid to non-controlling interests <sup>(2)</sup>	(4,767)	(4,310)
Increase in restricted cash	(1,795)	-
Proceeds from borrowings	12,846	-
Repayment of borrowings	(8,451)	(618)
Net settlement of derivative contracts	(499)	(802)
Payment of transaction costs related to loans and borrowings	(6,214)	(25)
Interest paid	(4,756)	(4,805)
<b>Net cash used in financing activities</b>	<b>(19,024)</b>	<b>(15,723)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(13,888)</b>	<b>121</b>
<b>Cash and cash equivalents at 1 January</b>	<b>46,559</b>	<b>44,226</b>
<b>Effect of foreign exchange rate changes on cash balances</b>	<b>(796)</b>	<b>1,161</b>
<b>Cash and cash equivalents at 30 June<sup>(3)</sup></b>	<b>31,875</b>	<b>45,508</b>

**Footnotes:**

- (1) Decrease of changes in trade and other receivables was mainly due to higher outstanding rents as a result of delayed collection from tenants compared to the last financial period.
- (2) This is pertaining to payment of dividend relating to financial year 2021 (2021: financial year 2020) to non-controlling shareholder by Beijing's subsidiary during 1H 2022 (2021: 1H 2021).
- (3) For the purpose of the Consolidated Statement of Cash Flows, the cash and cash equivalents comprised the following:

<b>Group</b>	
<b>Six-month period ended 30/6/2022 \$'000</b>	<b>Six-month period ended 30/6/2021 \$'000</b>
Bank and cash balances	35,595
Less: Restricted cash	(3,720)
Cash and cash equivalents of cash flows statement	<b>31,875</b>
	<b>45,508</b>

Restricted cash relates to cash balances which are used to secure bank borrowings.

**2. Review of the performance of the Group**

Gross revenue in 1H 2022 was S\$35.6 million, which was S\$1.3 million or 3.6% higher than in 1H 2021 (S\$34.3 million). This was mainly due to an improved portfolio occupancy rate of 97.6% as at 30 June 2022, versus 93.0% as at 30 June 2021. Property operating expenses in 1H 2022 was S\$14.6 million, which was S\$0.9 million or 6.3% higher than in 1H 2021 (S\$13.7 million). This was mainly due to higher cost of utilities as a result of increasing electricity prices and higher repair and maintenance expenses. As such, the net property income in 1H 2022 was S\$21.0 million, which was S\$0.4 million or 1.8% higher than in 1H 2021 (S\$20.6 million).

Finance costs in 1H 2022 was S\$7.5 million, which was S\$0.6 million or 7.6% higher than in 1H 2021 (S\$6.9 million). This was mainly due to one-off refinancing costs incurred during the loan refinancing completed in mid-March 2022.

Amount to be distributed to Unitholders in 1H 2022 was S\$3.9 million, which was S\$1.9 million or 32.7% lower than in 1H 2021 (S\$5.8 million). This was mainly due to higher finance costs, realised foreign exchange loss derived from settlement of a previous USD denominated loan upon refinancing and property management fees paid in cash. Approximately S\$0.4 million in 1H 2022 (1H 2021: S\$0.6 million) of the amount available for distribution in 1H 2022 had been retained for the purpose of operating expenses and working capital requirements of the REIT.

**3. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by our auditors.

**4. Where the figures have been audited or reviewed, the auditors' report(including any qualifications or emphasis of matter)**

Not applicable.

**5. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

**6. Variance from the previous forecast or prospect statement**

The Group has not disclosed any forecast to the market.

**7. Commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

China's gross domestic product<sup>1</sup> ("GDP") grew 2.5% year-on-year to RMB 56.3 trillion in 1H 2022, despite downward pressures. Disposable income per capita of urban residents<sup>1</sup> increased 3.6% year-on-year in 1H 2022. China's economy showed signs of recovery as retail sales of consumer goods rose 3.1% year-on-year in June, reversing the negative growths in April and May 2022. Purchasing manager's index also recorded its first expansion in June 2022, after three consecutive months of contraction<sup>2</sup>.

In response to downward pressures due to the Covid-19 pandemic and external factors, Governor Yi Gang said in a meeting of G-20 central bank governors and finance ministers that China's central bank will step up the implementation of its prudent monetary policy to provide stronger economic support<sup>3</sup>.

**Footnotes:**

- 1. Source: National Bureau of Statistics of China.
- 2. Xinhua (15 July 2022): China's economy secures positive Q2 growth, steam gathering for further recovery.
- 3. The Business Times (17 July 2022): China central bank governor pledges stronger support to economy.

**8. Distribution**

**(a) Current financial period**

Any distribution declared for the current financial period? Yes

Distribution period : 1 January 2022 to 30 June 2022

Distribution rate : 0.76 cents per unit

Distribution type : Capital distribution

Tax rate : Capital distribution represents a return of capital to Unitholders for Singapore income tax purpose and is therefore not subject to income tax. For Unitholders who hold the Units as trading assets, the amount of capital gain distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

Remark : The capital distribution from 1 January 2022 to 30 June 2022 is expected to be funded by internal cash flow from operations.

**(b) Corresponding period of the immediately preceding financial period**

Any distributions declared for the corresponding period of the immediate preceding financial periods? Yes

Distribution period : 1 January 2021 to 30 June 2021

Distribution rate : 1.12 cents per unit

Distribution type : Capital distribution

**(c) Date payable** : 28 September 2022

**(d) Book closure date** : 22 August 2022

**9. If no distribution has been declared/recommended, a statement to that effect.**

Not Applicable.

**10. Interested person transactions**

**If the Group has obtained a general mandate from Unitholders for interested person transactions (“IPT”), the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from Unitholders for IPT.

**11. Confirmation pursuant to Rule 720(1) of the Listing Manual**

The Manager confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual.

**12. Confirmation pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial results of the Group and the REIT (comprising the statement of financial position as at 30 June 2022, statement of total return and distribution statement, statement of cash flow and statement of movements in Unitholders' funds for the six-month period ended on that date), together with their accompanying notes, to be false or misleading, in any material respect.

On behalf of the Board of the Manager

Francis Siu Wai Keung  
Chairman

Ben Yeo Chee Seong  
Director

*This release may contain forward-looking statements that involve assumptions, 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 similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental, public policy changes, and the continued availability of financing. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.*

*The value of units in the REIT ("Units") and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, 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 the Group is not necessarily indicative of the future performance of the Group.*

*Investors should note that they have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.*

By Order of the Board

Zhan Aijuan  
Company Secretary

**BHG Retail Trust Management Pte. Ltd.**  
(Company registration no. 201504222D)  
(as Manager of BHG Retail REIT)

12 August 2022