

1H 2022 Results Presentation

12 August 2022

Anchoring Foundations. Staying Resilient.



Content

- 1H 2022 Key Highlights
- Financial Update
- Portfolio Update
- Looking Forward



1H 2022 Key Highlights

+3.6%
Gross Revenue
(SGD)
in 1H 2022
(y-o-y)

+1.8%
Net Property
Income (SGD)
in 1H 2022
(y-o-y)

0.76
(SGD cents)
Distribution per
Unit in 1H 2022¹

97.6%
Portfolio
Occupancy²

35.7%
Gearing²

Enhancing
Assets
Revitalising
Tenancies

+2.5%
China GDP
Growth
in 1H 2022³
(y-o-y)

+3.1%
China Retail
Sales Growth
in 1H 2022³
(y-o-y)

+3.6%
Disposable
income
per capita for urban
residents
in 1H 2022³ (y-o-y)



Photo of Chengdu Konggang

- 1 For the 1H 2022, approximately S\$0.4 million of the amount available for distribution has been retained for operational expenses and working capital requirements of the REIT.
- 2 As at 30 June 2022.
- 3 Source: National Bureau of Statistics of China.



Anchoring Foundations. Staying Resilient.



Financial Update



Photo of Beijing Wanliu


1H 2022 Financial Update

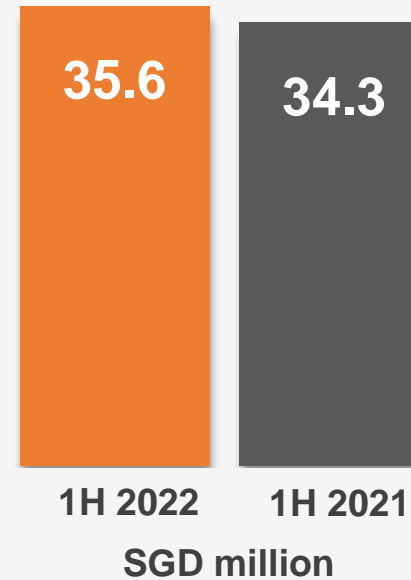
Gross Revenue
1H 2022
35.6
SGD million


**Net Property
Income**
1H 2022
21.0
SGD million

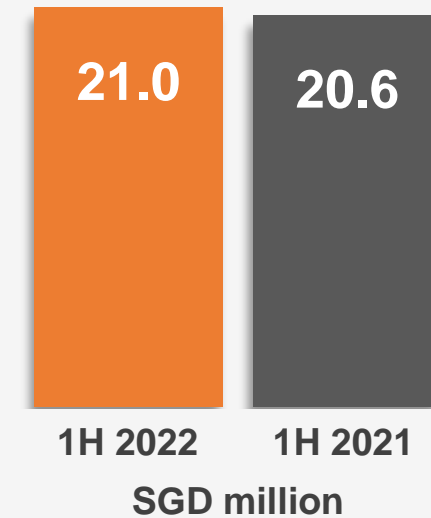
**Amount to be
distributed to
Unitholders¹**
1H 2022
3.9
SGD million

**Distribution per
Unit¹**
1H 2022
0.76
SGD cents

**Gross
Revenue**
 **3.6%**



**Net Property
Income**
 **1.8%**



¹ For the 1H 2022, approximately S\$0.4 million of the amount available for distribution has been retained for operational expenses and working capital requirements of the REIT.

1H 2022 Distribution Payment

Distribution Details

Distribution Period	1 January 2022 to 30 June 2022
Distribution Per Unit (SGD)	0.76 cents per unit

Distribution Timetable

Ex-Date	19 August 2022
Books Closure Date	22 August 2022
Payment Date	28 September 2022

Robust Financial Position

As at 30 June 2022

SGD million

Investment Properties	971.0
Total Assets	1,015.4
Total Liabilities	382.2
Net Assets	633.2
Net Asset Value Per Unit ¹ (SGD cents)	0.88



1. Based on net assets attributable to Unitholders.



Capital Management

Healthy Gearing With Debt Headroom For Growth

As at 30 June 2022

Aggregated borrowings drawn down
S\$300.1m

Gearing Ratio¹

35.7 %

Average Cost of Debt²

3.6%

Interest Coverage Ratio³

2.7x

- Above 80% of borrowings are denominated in Singapore dollars (“Offshore”)
- Completion of refinancing exercise in March 2022



Photo of Chengdu Konggang

1. Based on total loans and borrowings principal attributable to Unitholders 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 4.4% per annum if amortisation of loan establishment fee is included.
3. Interest coverage ratio 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.



Anchoring Foundations. Staying Resilient.



Portfolio Update



Photo of Chengdu Konggang

Portfolio Overview

MULTI-TENANTED



Beijing Wanliu



Hefei Mengchenglu



Chengdu Konggang



Hefei Changjiangxilu



MASTER-LEASED



Xining Huayuan



Dalian Jinsanjiao



Portfolio Overview¹

6
Properties

4,678.0
(RMB million)
Valuation²

180,255
Net Lettable Area
(NLA) sqm

97.6%
Committed
Occupancy Rate

5.7 Years
Weighted Ave.
Lease Expiry by NLA

	Beijing Wanliu	Chengdu Konggang	Hefei Mengchenglu	Hefei Changjiangxilu	Xining Huayuan	Dalian Jinsanjiao
Valuation ² (RMB million)	2,511.5 ³	663.0	584.0	480.5	274.0	165.0
NLA (sqm)	52,344	38,942	25,591	27,226	20,807	15,345
Committed Occupancy Rate	96.7%	98.0%	94.6%	98.1%	100.0%	100.0%
WALE (NLA) years	3.8	3.6	2.7	4.2	12.5	12.5

1 As at 30 June 2022.

2 Based on independent valuation from Knight Frank Petty Limited as at 31 December 2021.

3 Based on 100% interest of Beijing Wanliu. Valuation of Beijing Wanliu based on 60% interest amounted to RMB 1,506.9 million.

● Multi-tenanted
● Master-leased



Lease Expiry Profile

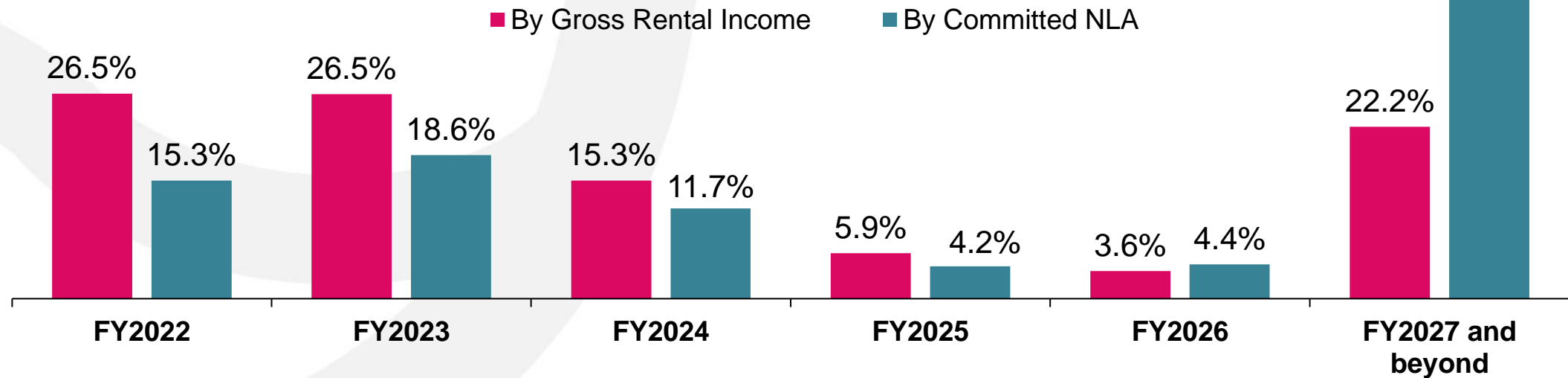
**Weighted average lease expiry (WALE)
as at 30 June 2022**

By Gross Rental Income: 3.5 years

By Committed NLA: 5.7 years



Lease Expiry Profile as at 30 June 2022

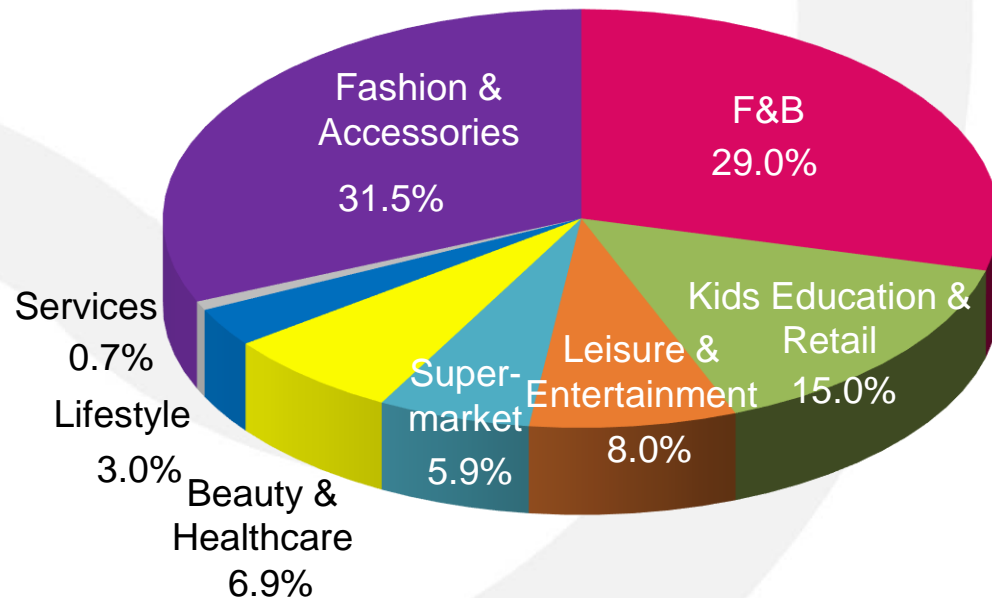


Diversified Tenant Mix

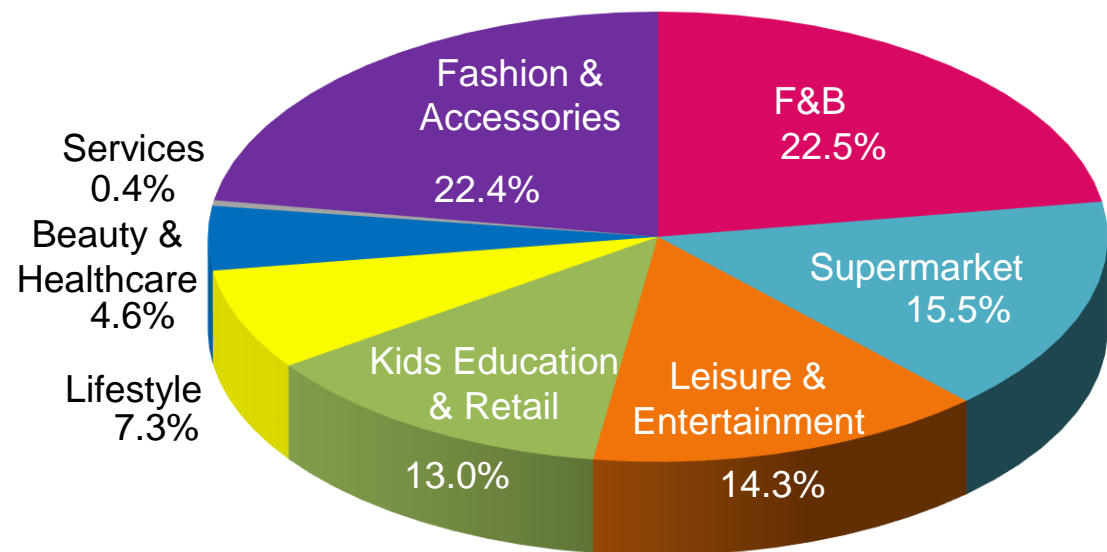
Close to 69% of Gross Rental Income and 78% of Net Lettable Area from experiential segment (exclude fashion & accessories)

Multi-tenanted Malls (As at 30 June 2022)

Breakdown of Gross Rental Income by Trade Sector



Breakdown of Net Lettable Area by Trade Sector





Revitalising Tenancies Enhancing Experiences



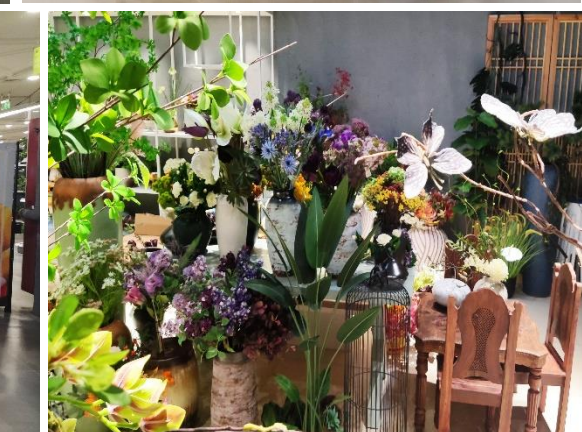
Photo of Hefei Mengchenglu

Enhanced Connectivity and Concepts

Completion of new entrance to enhance accessibility and improve shopper traffic flow and circulation between ground and basement Levels



Flower Emporium(欢乐花海):
Flower theme gallery and nursery boasting more than 300 varieties of flowers and plants for sale





Hefei Mengchenglu: Asset Enhancement Initiative

Experiential Concepts Creating a Multi-Sensory Experience

Tea House

Cafe



Photography Studio

Painting and Calligraphy studio

Nail Spa





Hefei Mengchenglu: Refreshed Tenancy Offerings

星际空间 (VR Arcade)



阿迪耐克 (Adidas & Nike)



好特卖 (HotMaxx)



CICI



Popular F&B Chains Opening In Our Malls

Han Gong Yan 韩宫宴



@ Hefei Mengchenglu



Shen Hai Paper Wrapped Fish 深海纸包鱼



@ Hefei Mengchenglu



Zhang Liang Mala Soup 张亮麻辣烫



@ Hefei Mengchenglu



Popular F&B Chains Opening In Our Malls

Pizza Hut 必胜客



Shrimp Hotpot 虾吃虾涮



Quan Niu Hu Tong 全牛胡同



Outdoor F&B Pushcarts 户外餐饮手推车





New Tenants In Our Malls (Lifestyle, Children and Sports)

SUBARU 斯巴鲁



@ Beijing Wanliu

HUAWEI 华为



@ Hefei Changjiangxilu

Children's Gym 赫石小超人少儿体能



@ Beijing Wanliu

Children's Play House 牧场能量



@ Hefei Mengchenglu

ANTA Kids 安踏儿童



@ Chengdu Konggang

Children's Play Pool 童宝童乐



@ Beijing Wanliu



Engaging Communities Creating Lasting Memories



Photo of Chengdu Konggang



Children & Family Activities



Mascot Parade @ Hefei Changjiangxilu



Bubble Fun @ Hefei Changjiangxilu



Roller Blade Challenge @ Beijing Wanliu



Children & Family Activities



Parent-Child Art & Craft @ Chengdu Konggang



Children Performances @ Chengdu Konggang



Dance Festival @ Chengdu Konggang

Our Sustainability Journey

Environmental, Social and Governance (ESG)



Our Sustainability Journey

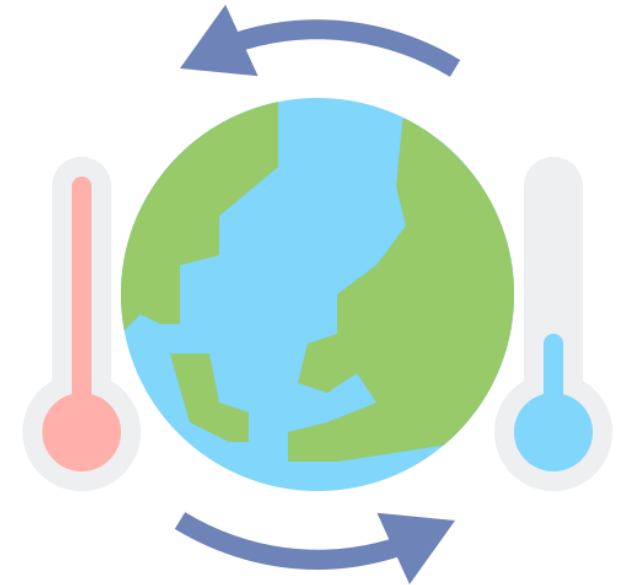
Environmental, Social and Governance (ESG)

Background

- ***We are cognisant of ESG issues that are relevant for BHG Retail REIT and our stakeholders***
- ***Proactively strive to address these ESG issues which are taken into account 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)

Complimentary Public Health Check 慈善义诊



Clothes Collection & Redistribution



Donation of Refreshments to Public Service Officers



Gifts Donation to ItsRainingRaincoats



Our Sustainability Journey: Governance

Awards	Results	Year
1 Best Corporate Communications and Investor Relations (The Global Good Governance Awards™ 2021)	Platinum	2021
2 Best Governed and Transparent Company (The Global Good Governance Awards™ 2021)	Silver	2021
3 Asia Pacific Best of the Breed REITs Awards™ 2020 (Retail REIT category with market capitalisation of less than US\$1 billion)	Gold	2020





Looking Forward



Photo of Beijing Wanlu

China Macroeconomic Outlook

China	1H 2022
GDP Growth (year-on-year)	+2.5%
Retail Sales Growth (year-on-year)	+3.1%
Disposable income per capita for residents (year-on-year)	+3.6%

Look Forward

- China's gross domestic product¹ ("GDP") grew 2.5% year-on-year to RMB 56.3 trillion in 1H 2022, despite downward pressures. Disposable income per capita of urban residents¹ 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. In addition, purchasing manager's index recorded its first expansion in June 2022, after three consecutive months of contraction²
- 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 support³

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.

Looking Forward

Notwithstanding the near-term uncertainties and headwinds from COVID-19, the Manager remains focused and committed to proactively manage the existing portfolio, as well as to pursue growth.

Creating Organic Value

Proactive Asset Management

- Reinforce community positioning of our malls
- Improve rents 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 or 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 both right of first refusal and third party quality income-producing retail properties



Photo of Beijing Wanliu

Disclaimer

Certain statements made in this presentation may not be based on historical information or facts and may constitute “forward-looking” statements (including forward-looking financial information). Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements and/or financial information as a result of 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 other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements and/or financial information, as these statements and/or financial information reflect the Manager’s current views concerning future events and necessarily involve risks, uncertainties and assumptions.

The information contained in this presentation has not been independently verified. No representation or warranty, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. Neither BHG Retail Trust Management Pte. Ltd. (the “Manager”) or any of its affiliates, advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

The value of units in BHG Retail REIT (“Units”) and the income derived from them may fall as well as 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 BHG Retail REIT and the Manager is not necessarily indicative of the future performance of BHG Retail REIT and the Manager.

Investors have no right to request the Manager to redeem or purchase their Units while the Units are listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). It is intended that 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 presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.





Thank you

For further information and enquiries:

BHG Retail Trust Management Pte. Ltd.

Contact: (65) 6805 8288 Email: ir@bhgreit.com

Website: <http://www.bhgreit.com>

