

# 1Q 2021 BUSINESS UPDATES

11 May 2021

*Anchoring Foundations. Staying Resilient.*





# Content

- 1Q 2021 Updates
- Capital Management
- Looking Forward



Anchoring Foundations. Staying Resilient.



贤合庄 卤味 火锅 B1

UNIQLO 优衣库 2楼  
LifeWear 服适人生

铁公鸡

唱吧 麦颂 KTV 4F

华联影院

旺顺园

# 1Q 2021 Updates



Photo of Beijing Wanliu 北京万柳照片



# Portfolio Overview

## MULTI-TENANTED



**Beijing Wanliu**  
北京万柳



**Hefei Mengchenglu**  
合肥蒙城路



**Chengdu Konggang**  
成都空港



**Hefei Changjiangxilu**  
合肥长江西路



## MASTER-LEASED



**Xining Huayuan**  
西宁花园



**Dalian Jinsanjiao**  
大连金三角



# Portfolio Overview<sup>1</sup>

**6**  
Properties

**4,659.0**  
(RMB million)  
Valuation<sup>2</sup>

**179,247**  
Net Lettable Area  
(NLA) sqm

**92.1%**  
Committed  
Occupancy Rate

**6.8** Years  
Weighted Ave.  
Lease Expiry by NLA

	Beijing Wanliu	Chengdu Konggang	Hefei Mengchenglu	Hefei Changjiangxilu	Xining Huayuan	Dalian Jinsanjiao
Valuation <sup>2</sup> (RMB million)	2,502.0 <sup>3</sup>	661.0	582.0	475.0	274.0	165.0
NLA (sqm)	52,533	39,600	23,653	27,309	20,807	15,345
Committed Occupancy Rate	92.0%	91.9%	80.2% <sup>4</sup>	92.4%	100.0%	100.0%
WALE (NLA) years	4.1	3.9	4.9	4.9	13.8	13.8

1 As at 31 March 2021.

2 Based on independent valuation from Knight Frank Petty Limited as at 31 December 2020.

3 Based on 100% interest of Beijing Wanliu. Valuation of Beijing Wanliu based on 60% interest amounted to RMB 1,501.2 million.

4 Ongoing tenancy rejuvenation.

● Multi-tenanted  
● Master-leased

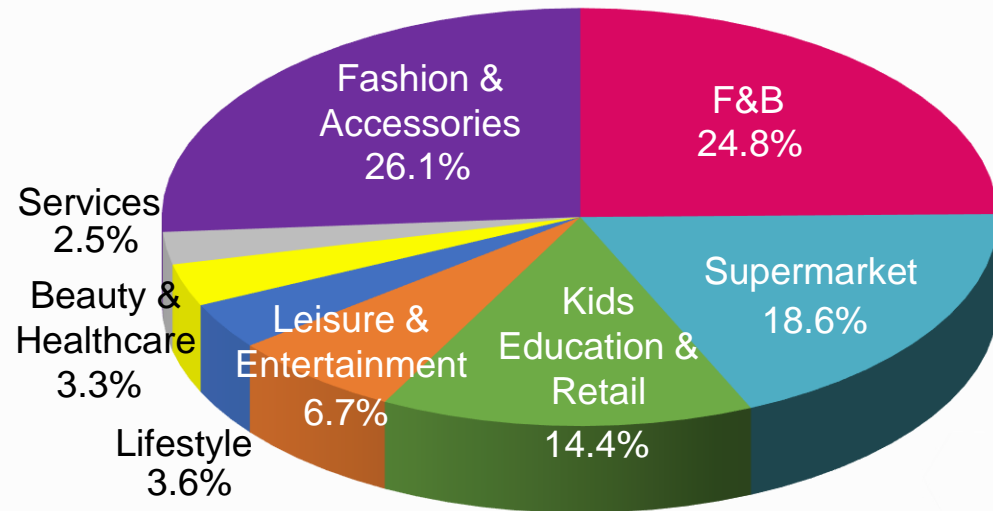


# Diversified Portfolio Tenant Mix

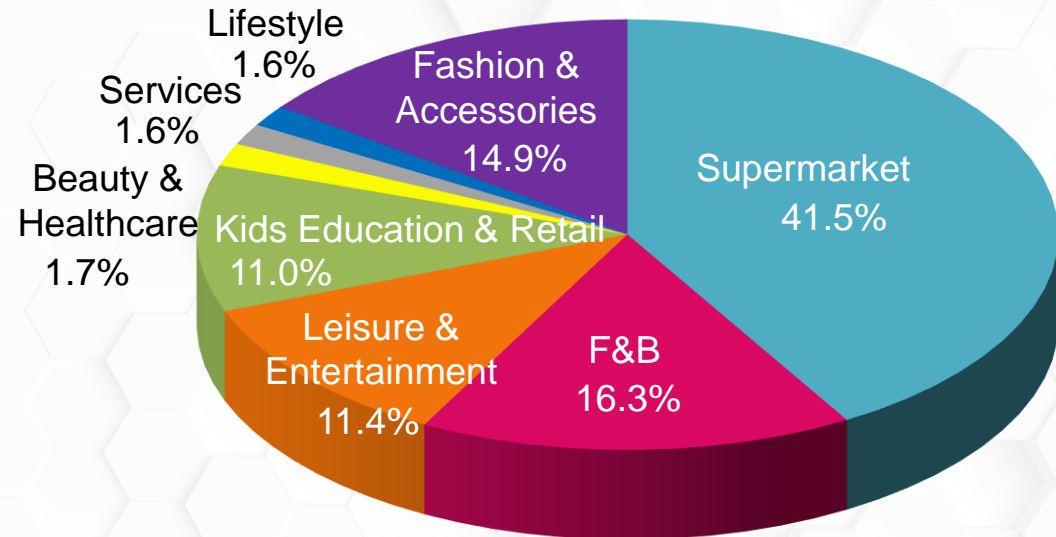
*Close to 75% of Gross Rental Income and about 85% of Net Lettable Area from experiential segment (exclude fashion & accessories)*

As at 31 March 2021

**Breakdown of Gross Rental Income by Trade Sector**



**Breakdown of Net Lettable Area by Trade Sector**





# Lease Expiry Profile

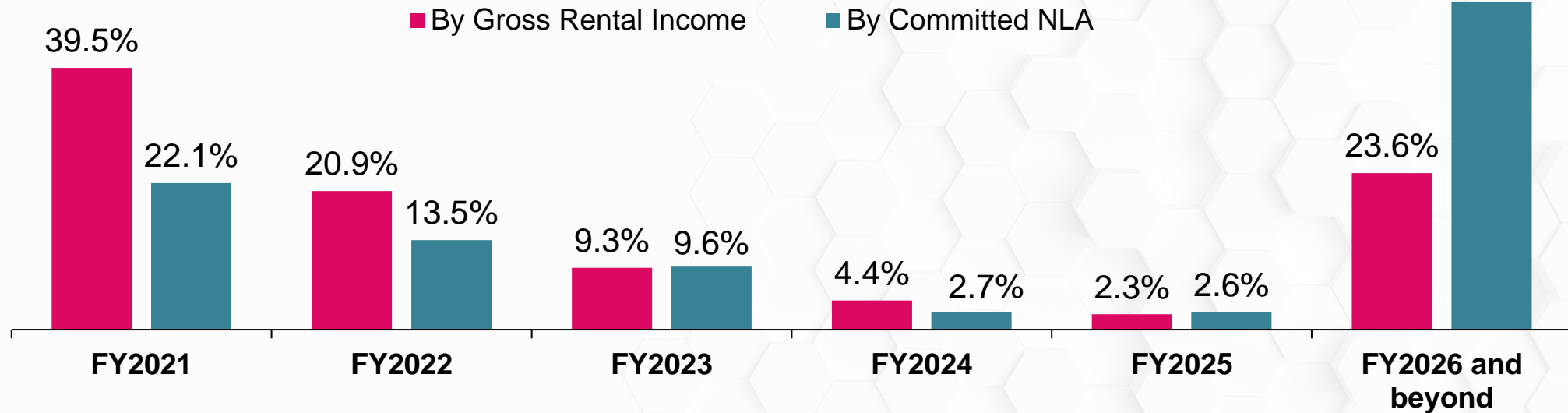
**Weighted average lease expiry (WALE)  
as at 31 March 2021**

**By Gross Rental Income: 3.8 years**

**By Committed NLA: 6.8 years**



## Lease Expiry Profile as at 31 March 2021





# Revitalising Tenancies

## Enhancing Experiences



Photo of Costa Coffee @ Beijing Wanliu





# Revitalising Tenancies. Enhancing Experiences.

Popular F&B Chain Openings. Widening Dining Selections.

Haidilao Hot Pot



@ Chengdu Konggang

Jibulu Steak & Seafood



@ Chengdu Konggang

Chao Dao Chuan Chuan Hot Pot



@ Beijing Wanliu



# Revitalising Tenancies. Enhancing Experiences.

## Newly Curated Casual F&B Offerings

## Casual Fashion



Fresh Camel Milk @ Beijing Wanliu



Nanjing Old Duck Noodle Soup @ Hefei Changjiangxilu



Suying @ Hefei Mengchenglu



Dumpling Xi @ Beijing Wanliu



Wei Lu Guo Kui @ Hefei Changjiangxilu



InShop @ Chengdu Konggang

# Revitalising Tenancies. Enhancing Experiences.





# Engaging Communities & Omni-channel Shoppers



Photo of Chengdu Konggang



# Lunar Chinese New Year Celebrations

Couplet Writing Community Engagement



@ Chengdu Konggang

Lunar Chinese New Year Children's Performance



@ Hefei Mengchenglu

Chinese Cabbage Give-Away



@ Hefei Changjiangxilu

CNY Art & Craft



@ Chengdu Konggang



# Children & Family Activities





# Other Marketing Events

Youth Fashion Runway



@ Hefei Changjiangxilu

Singles Dating Event



@ Hefei Mengchenglu

Flower Arrangement Class



@ Hefei Changjiangxilu



# Membership & Promotional Collaborations

## BHG Mall Membership: Instant Membership Benefits<sup>1</sup>

- Complimentary parking with same day receipt.
- Weekly movie ticket discount for members.
- Points convertible to cash spending on certain days etc.
- Points & benefits can be shared across various BHG malls in different cities.

1 Terms and conditions applies.



## Bank Cards Collaborations

- Purchase vouchers using credit cards and receive spending credits with higher value.







# Engaging Shoppers via Multiple Touchpoints

## Live Broadcast + Internet Celebrity



- Leveraging on an internet celebrity's popularity, Beijing Wanliu hosted a live broadcast in March 2021.
- Attracted online viewers from both celebrity's and Beijing Wanliu's pages.
- Limited time only promotional items.
- Discounted retail vouchers sold out.



# Capital Management





# Capital Management

## Healthy Gearing With Debt Headroom For Growth.

As at 31 March 2021

Aggregated borrowings drawn down  
**S\$295.9m**

Gearing Ratio<sup>1</sup>

**35.6 %**

Average Cost of Debt<sup>2</sup>

**3.8%**

Interest Coverage Ratio<sup>3</sup>

**2.6 x**

- More than 80% of borrowings are denominated in Singapore dollars and US dollars (“Offshore”).
- About 60% of offshore loans hedged via interest rate swaps.



Photo of Chengdu Konggang

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 4.7% 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.



# Looking Forward





# China Macroeconomic Outlook

China	FY 2020 <sup>1</sup>	4Q 2020 <sup>1</sup>	1Q 2021 <sup>1</sup>
<b>GDP Growth</b> (year-on-year)	<b>+2.3%</b>	<b>+6.5%</b>	<b>+18.3%</b>
<b>Retail Sales Growth</b> (year-on-year)	<b>-3.9%</b>	<b>+4.6%</b>	<b>+33.9%</b>
<b>Disposable income</b> per capita for urban residents (year-on-year)	<b>+3.5%</b>	<b>+5.7%</b>	<b>+12.2%</b>

## Look Forward

- Despite the initial challenges led by the COVID-19 pandemic, the Chinese economy experienced a significant recovery in 2020, ending the year with a positive economic growth of 2.3% year-on-year for the full year of 2020.
- Chinese authorities has rolled out a combination of monetary and fiscal measures to support its economy. The authorities said they will continue to seek stable expansion, job creation and increase efforts toward boosting domestic demand and consumption.
- Chinese authorities will also continue to adopt the Dual Circulation strategy aimed at spurring domestic consumption and being self-reliant, while at the same time encouraging foreign investment and catering to export markets.

1. Source: National Bureau of Statistics of China



# 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

*Anchoring Foundations. Staying Resilient.*

For further information and enquiries:

BHG Retail Trust Management Pte. Ltd.

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

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

