

1Q 2023 Business Updates

11 May 2023



*Anchoring Foundations
Staying Resilient*



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Anchoring Foundations. Staying Resilient.



1Q 2023 Updates



Photo of Beijing Wanliu

Portfolio Overview

MULTI-TENANTED



Beijing Wanliu



Hefei Mengchenglu



Chengdu Konggang



Hefei Changjiangxilu



MASTER-LEASED



Xining Huayuan



Dalian Jinsanjiao



Portfolio Occupancy Increased 0.9% Quarter-on-Quarter¹

6
Properties

4,703.0
(RMB million)
Valuation²

179,615
Net Lettable Area
(NLA) sqm

96.1%
Committed
Occupancy Rate

5.4 Years
Weighted Ave.
Lease Expiry by NLA

	Beijing Wanliu	Chengdu Konggang	Hefei Mengchenglu	Hefei Changjiangxilu	Xining Huayuan	Dalian Jinsanjiao
Valuation ² (RMB million)	2,527.0 ³	667.0	587.0	483.0	274.0	165.0
NLA (sqm)	52,253	39,155	25,087	26,968	20,807	15,345
Committed Occupancy Rate	96.3%	96.8%	91.7%	93.7%	100.0%	100.0%
WALE (NLA) years	3.6	3.2	2.9	3.8	11.8	11.8

1. Portfolio occupancy rate increased 0.9% from 95.2% as at 31 December 2022 to 96.1% as at 31 March 2023.

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

3. Based on 100% interest of Beijing Wanliu. Valuation of Beijing Wanliu based on 60% interest amounted to RMB 1,516.2 million.

● Multi-tenanted
● Master-leased



Lease Expiry Profile

Weighted average lease expiry (WALE)
as at 31 March 2023

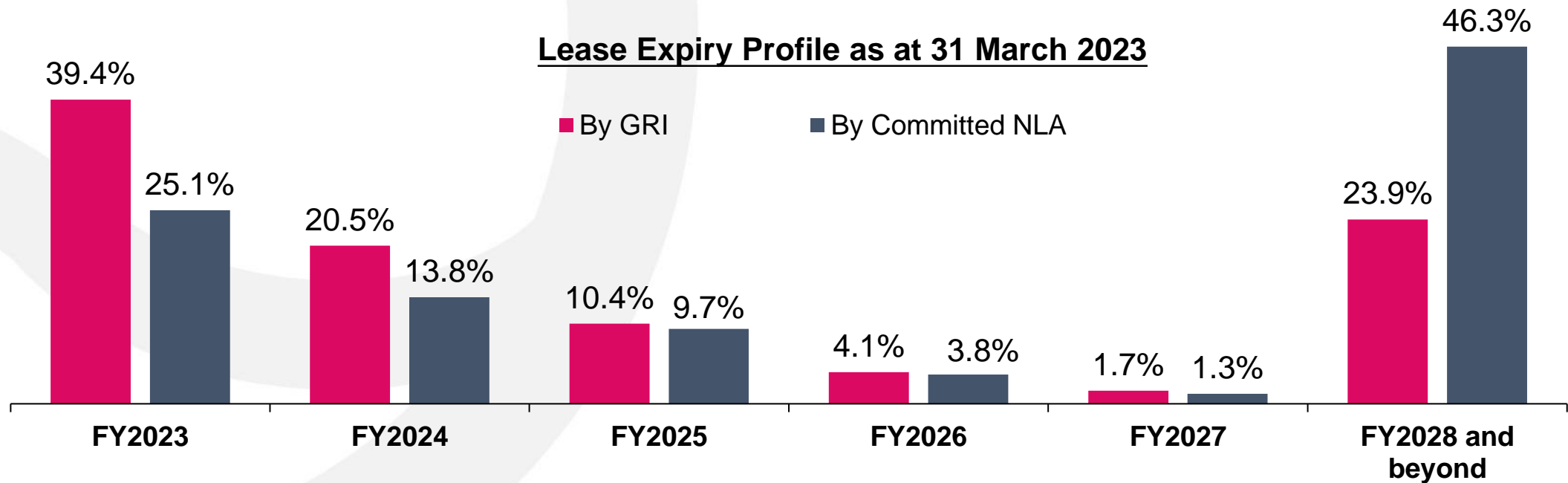
By Gross Rental Income (GRI): 3.3 years

By Committed NLA: 5.4 years



Photo of Beijing Wanliu

Lease Expiry Profile as at 31 March 2023

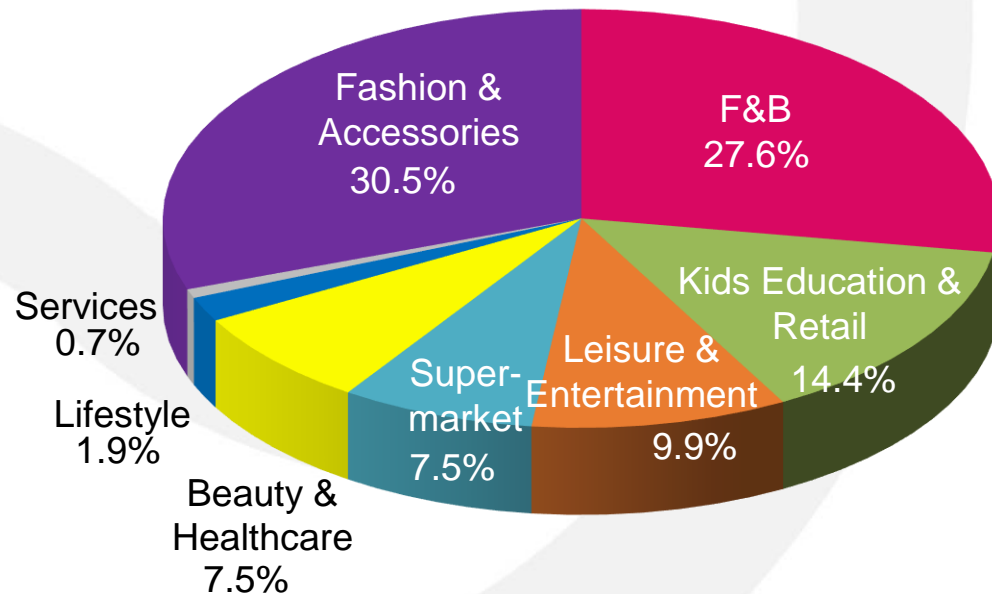


Diversified Tenant Mix

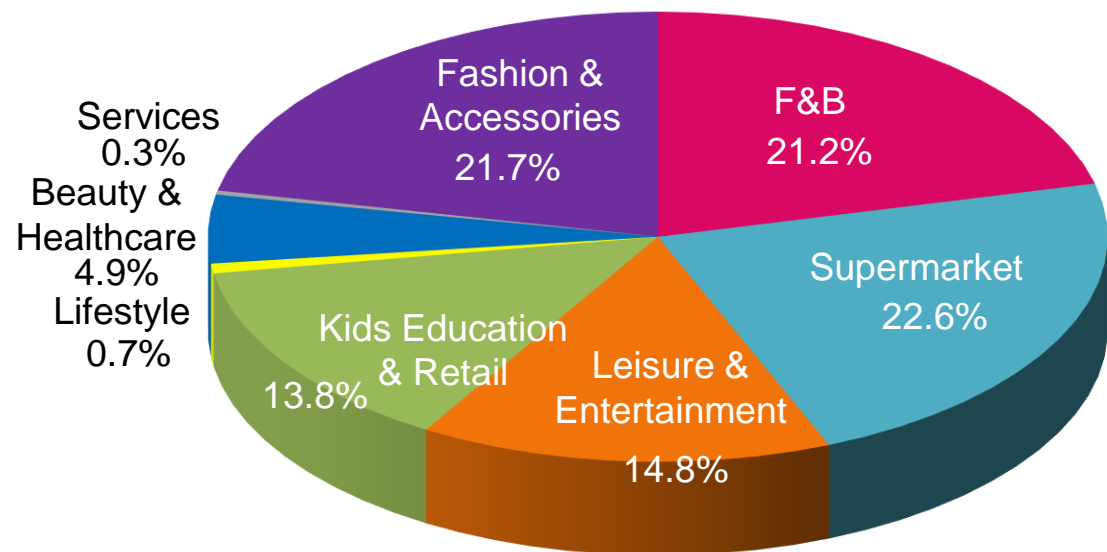
Approximately 69% of GRI and 78% of NLA from experiential segment (exclude fashion & accessories)

Multi-tenanted Malls (As at 31 March 2023)

Breakdown of GRI by Trade Sector



Breakdown of NLA by Trade Sector





Revitalising Tenancies

Enhancing Experiences





New Lifestyle and Children's Offerings

Coco Arts Center 可可艺术中心



Tmall Musical 天猫乐器体验馆



Wenjie Weiqi 文杰围棋



Seven Rainbow Tribes 七彩虹部落



Uncle Hippo 河马叔叔



Link Family 林克宝宝





Newly Curated Fashion Offerings

The North Face 北面



VIER 唯怡儿



ZHiIN 知茵



You.Can



Popular F&B Selections

Jiayi Bin 甲乙饼



@ Beijing Wanliu

Jianbing Dao 煎饼道



@ Chengdu Konggang

Scholar Dumplings 状元水饺



@ Chengdu Konggang



Anchoring Foundations. Staying Resilient.



Engaging Communities Creating Lasting Memories



Spring Festival Activities





Children & Family Activities



Parent-Child Art & Craft @ Beijing Wanliu



Treasure Hunt @ Hefei Changjiangxilu



Spring Festival Fair @ Chengdu Konggang



Children Art & Craft @ Hefei Mengchenglu

Anchoring Foundations. Staying Resilient.

北京华联长江西路购物中心

华联影城

BHG
MALL REIT



Capital Management

Photo of Hefei Changjiangxilu

Capital Management

Healthy Gearing With Debt Headroom For Growth

As at 31 March 2023

Aggregated Borrowings Drawn Down
S\$301.6m

Gearing Ratio¹
38.2%

Average Cost of Debt²
5.4%

Interest Coverage Ratio³
2.1x

- Above 80% of borrowings are denominated in Singapore dollars (offshore borrowings)
- Approximately 50% 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 6.2% 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.



Our Sustainability Journey

Environmental, Social and Governance (ESG)



Our Sustainability Journey

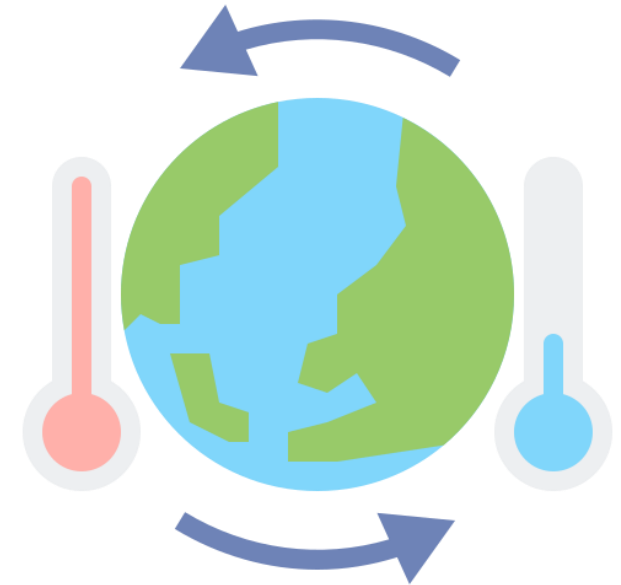
Environmental, Social and Governance (ESG)

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 Chengdu Konggang

China Macroeconomic Outlook

China	1Q 2023 (year-on-year)
GDP Growth	+4.5%
Retail Sales of Consumer Goods Growth	+5.8%
Disposable income per capita of urban residents	+4.0%

- China's 1Q 2023 gross domestic product¹ ("GDP") grew at a faster-than-expected rate of 4.5% year-on-year, beating market forecasts²
- Bank of America Global Research raised its forecast for China's 2023 GDP growth from 5.5% to 6.3%, following stronger than expected 1Q 2023 economic growth³
- Total retail sales of consumer goods rose 5.8% year-on-year in 1Q 2023. Retail sales jumped 10.5% year-on-year in March alone¹
- Disposable income per capita of urban residents grew 4.0% year-on-year in 1Q 2023¹
- During the annual Two Sessions held in March 2023, the Chinese authorities announced the 2023 GDP growth target of 5%, making it one of the world's fastest-growing major economies⁴
- One of the key economic strategies aimed at achieving the target growth rate is to boost domestic demand and consumption by improving the disposable income of residents⁴

1. National Bureau of Statistics of China.

2. The Straits Times (18 April 2023): China's economic recovery speeds up but global headwinds point to bumpy outlook.

3. The Business Times (21 April 2023): Bank of America joins others in raising China's 2023 GDP growth forecast after strong Q1.

4. China Briefing (29 March 2023): China's 2023 Government Work Report: Highlights from the Two Sessions.

Looking Forward

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 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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