

3Q 2022 Business Updates

11 November 2022

Anchoring Foundations. Staying Resilient.



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Anchoring Foundations. Staying Resilient.



3Q 2022 Updates



Photo of Beijing Wanliu

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

179,281
Net Lettable Area
(NLA) sqm

97.6%
Committed
Occupancy Rate

5.5 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)	52,352	38,841	25,087	26,850	20,807	15,345
Committed Occupancy Rate	96.5%	98.0%	95.0%	98.7%	100.0%	100.0%
WALE (NLA) years	3.7	3.5	2.7	4.0	12.3	12.3

1 As at 30 September 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

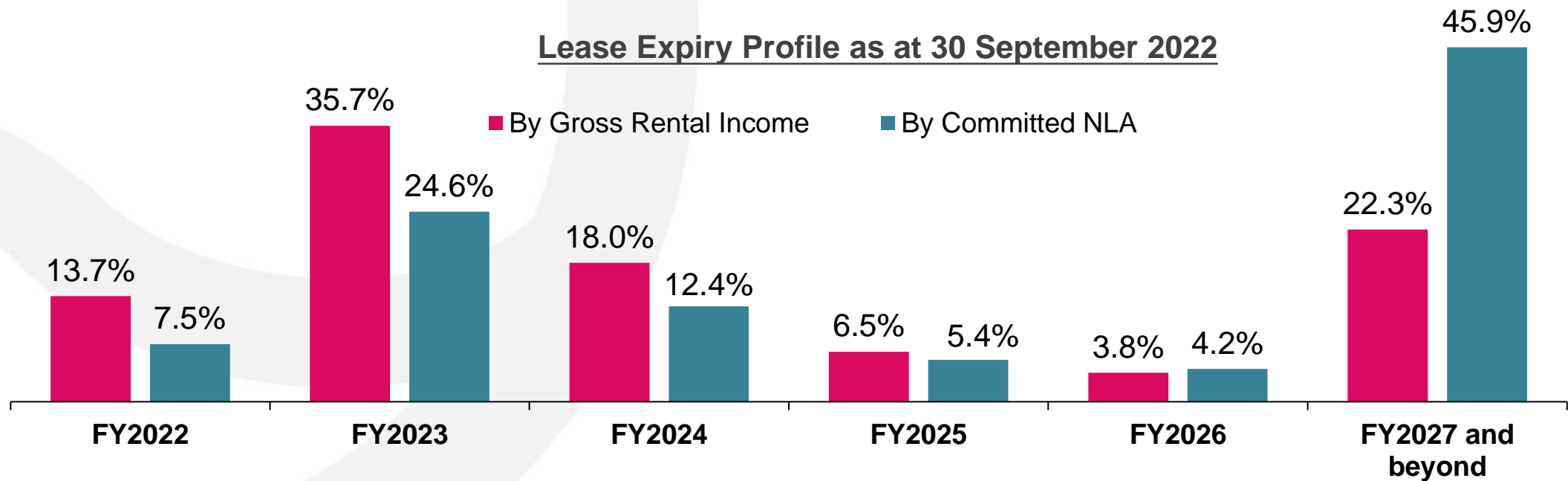
**Weighted average lease expiry (WALE)
as at 30 September 2022**

By Gross Rental Income: 3.4 years

By Committed NLA: 5.5 years



Lease Expiry Profile as at 30 September 2022

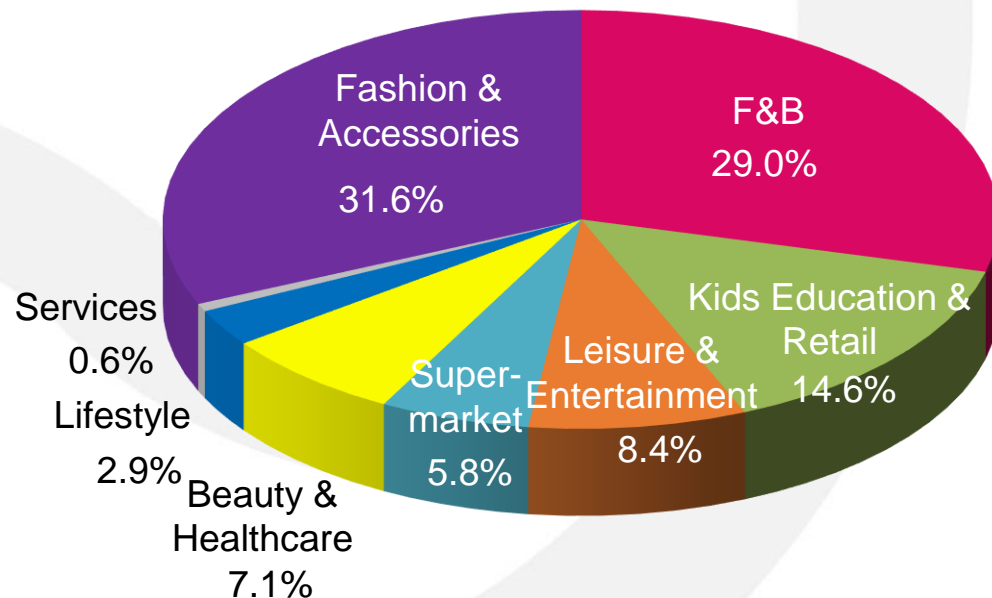


Diversified Tenant Mix

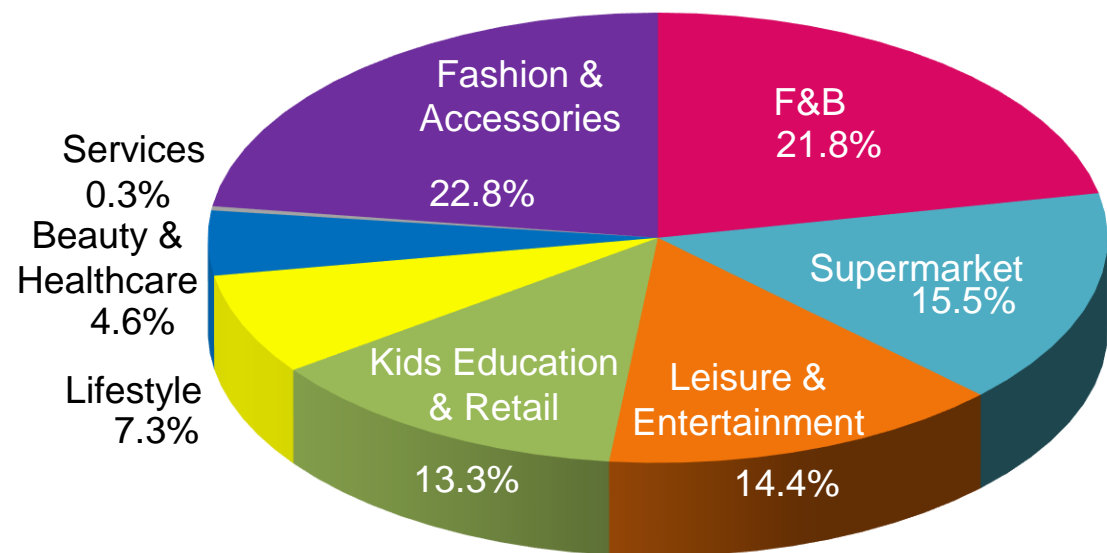
Close to 68% of Gross Rental Income and 77% of Net Lettable Area from experiential segment (exclude fashion & accessories)

Multi-tenanted Malls (As at 30 September 2022)

Breakdown of Gross Rental Income by Trade Sector



Breakdown of Net Lettable Area by Trade Sector



Anchoring Foundations. Staying Resilient.



Revitalising Tenancies

Enhancing Experiences



Photo of Hefei Mengchenglu



New Tenants In Our Malls (Lifestyle and Children)

Samsung 三星



Prima Rider 谱瑞玛



Honor 荣耀



Children's Theme Park 童真谷



Momoco 儿童生活品牌



B.Duck 小黄鸭





Newly Curated Fashion and Retail Offerings

Boni 芭妮女鞋



@ Hefei Changjiangxilu

HLA 海澜之家



@ Beijing Wanliu

Bosideng 波司登



@ Beijing Wanliu

Xiao Shi Hou 正绪坊小时候



@ Beijing Wanliu

Alice Trend 爱丽丝潮流



@ Hefei Mengchenglu

Zhou Liu Fu 周六福



@ Hefei Changjiangxilu

Popular F&B Chains Opening In Our Malls

Tea Tailiang 茶太良品



@ Beijing Wanliu



Western View 西璟西餐



Bao Xiao Wan Claypot Rice 煲小万煲仔饭



@ Hefei Mengchenglu



@ Beijing Wanliu





Engaging Communities *Creating Lasting Memories*



Photo of Chengdu Konggang



Children & Family Activities



Water Gun Battle @ Chengdu Konggang



Tent Painting @ Beijing Wanliu



Chess Tournament @ Beijing Wanliu



Children & Family Activities



Mooncake Making @ Beijing Wanliu



Parent-Child Art & Craft @ Hefei Mengchenglu



Cosplay Event @ Beijing Wanliu



Children's Flea Market @ Chengdu Konggang

Anchoring Foundations. Staying Resilient.



Capital Management



Photo of Chengdu Konggang

Capital Management

Healthy Gearing With Debt Headroom For Growth

As at 30 September 2022

Aggregated borrowings drawn down
S\$298.3m

Gearing Ratio¹
36.6%

Average Cost of Debt²
3.9%

Interest Coverage Ratio³
2.5x

- Above 80% of borrowings are denominated in Singapore dollars (“Offshore”)
- Completion of refinancing exercise in March 2022
- About 33% of offshore loans 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 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.

Our Sustainability Journey

Environmental, Social and Governance (ESG)



Our Sustainability Journey

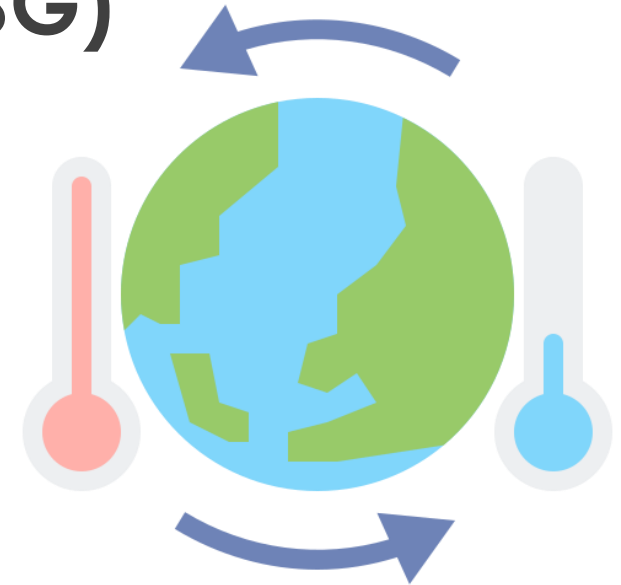
Environmental, Social and Governance (ESG)

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 Team (The Global CSR & ESG Awards 2022™)	Platinum	2022
2 Best Community Programme Award (The Global CSR & ESG Awards 2022™)	Platinum	2022
3 CSR & ESG Leadership Award (The Global CSR & ESG Awards 2022™)	Platinum	2022





Looking Forward



Photo of Beijing Wanlu

China Macroeconomic Outlook

China	2022
3Q 2022 GDP Growth (year-on-year)	+3.9%
3Q 2022 Retail Sales Growth (year-on-year)	+3.5%
9M 2022 Disposable income per capita for residents (year-on-year)	+3.2%

Looking Forward

- China's 3Q 2022 gross domestic product¹ ("GDP") increased 3.9% year-on-year, beating market forecasts²
- Disposable income per capita of urban residents¹ grew 3.2% year-on-year in 9M 2022¹
- Total retail sales of consumer goods rose 3.5% year-on-year in 3Q 2022, reversing the 4.6% decline in 2Q 2022³
- The long term fundamentals of China's retail market is expected to remain solid, supported by a growing middle class, continued urbanisation and the effective control of inflation⁴

1. Source: National Bureau of Statistics of China.

2. Reuters (24 October 2022): China Q3 GDP growth tops forecasts but meaningful rebound elusive.

3. Xinhua (24 October 2022): Economic Watch: China's economy on more solid ground with steady Q3 growth.

4. Cushman & Wakefield (2022, August). Post lockdown consumption The key to market revival.

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

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Thank you

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