



CREATING VALUE. PURSUING GROWTH.



BHG RETAIL REIT

FINANCIAL RESULTS FOR THE
FOURTH QUARTER AND FULL YEAR
ENDED 31 DECEMBER 2019

25 FEBRUARY 2020





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For ease of reference, the following abbreviations are used in this announcement:

“4Q 2018”: For the 3-month period from 1 September 2018 to 31 December 2018;

“4Q 2019”: For the 3-month period from 1 September 2019 to 31 December 2019;

“FY 2018”: For the 12-month period from 1 January 2018 to 31 December 2018; and

“FY 2019”: For the 12-month period from 1 January 2019 to 31 December 2019;



Key Highlights 4Q 2019

Photo of Hefei Mengchenglu 合肥蒙城路



Key Highlights 4Q 2019

+18.7%

Gross Revenue
4Q 2019¹
SGD (y-o-y)

+11.6%

Net Property
Income
4Q 2019¹
SGD (y-o-y)

3.87

SGD cents
Distribution
Per Unit
FY 2019^{1,2}

5.6%

FY 2019
Annual
Distribution
Yield^{2,3}

96.7%
Portfolio
Occupancy⁴

**Healthy 4Q 2019
Rental Reversion**

35.7%
Gearing^{4,5}

+6.1%
China GDP
Growth
in 2019⁶
(y-o-y)

+8.0%
China Retail
Sales Growth
in 2019⁶
(y-o-y)

+7.9%
Disposable
income

+7.5%
Consumption
Expenditure

per capita for urban residents
in 2019⁶ (y-o-y)

1 Includes contribution from Hefei Changjiangxilu Mall which was acquired on 2 April 2019.

2 In FY 2019, approximately S\$1.9 million of the amount available for distribution has been retained in anticipation of higher operational expenses and working capital requirements of the REIT's enlarged portfolio.

3 Based on closing price of S\$0.685 as at 31 December 2019, and FY 2019 Distribution per Unit.

4 As at 31 December 2019.

5 MAS leverage limit is 45%.

6 Source: National Bureau of Statistics of China.



Financial Highlights



Photo of Chengdu Konggang 成都空港



Financial Performance

In SGD

■ 4Q 2019¹

■ 4Q 2018

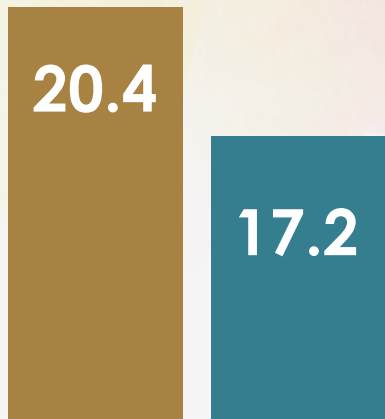
■ FY 2019¹

■ FY 2018

Gross Revenue

▲ **18.7%**

Year-on-year

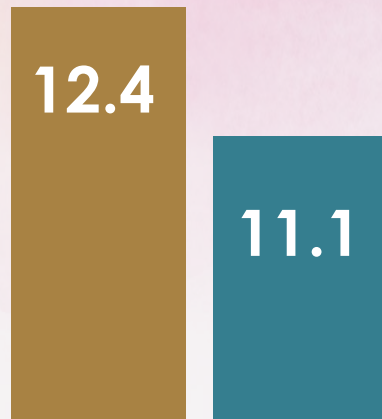


SGD million

Net Property Income

▲ **11.6%**

Year-on-year

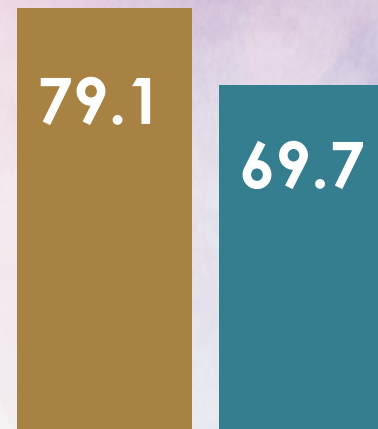


SGD million

Gross Revenue

▲ **13.5%**

Year-on-year

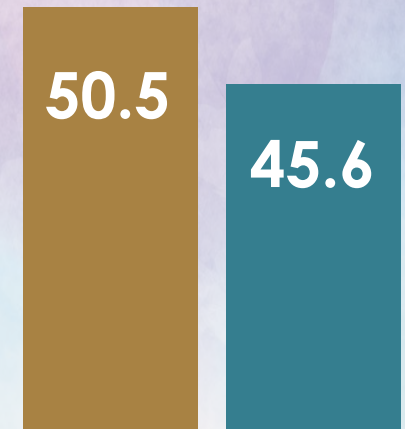


SGD million

Net Property Income

▲ **10.6%**

Year-on-year



SGD million

1. Includes contribution from Hefei Changjiangxilu which was acquired on 2 April 2019.



Financial Performance

Amount to be Distributed to Unitholder FY 2019^{1,2}

16.8
SGD million

Distribution per Unit FY 2019^{1,2}

3.87
Singapore cents

Annualised Distribution Yield FY 2019^{2,3}

5.6%

1. In FY 2019, approximately S\$1.9 million of the amount available for distribution has been retained in anticipation of higher operational expenses and working capital requirements of the REIT's enlarged portfolio.
2. Includes contribution from Hefei Changjiangxilu Mall which was acquired on 2 April 2019.
3. Based on closing price of S\$0.685 as at 31 December 2019, and FY 2019 Distribution per Unit.





2H 2019 Distribution Payment

Distribution Details

Distribution Period	1 July 2019 to 31 December 2019
Distribution Per Unit (SGD)	1.79 cents per unit

Distribution Timetable

Ex-Date	10 March 2020
Books Closure Date	11 March 2020
Payment Date	30 March 2020



Capital Management

Aggregated borrowings drawn down

S\$ 284.2 mil

31 Dec 2019

Low Gearing Ratio¹

35.7 %

31 Dec 2019

Average Cost of Debt²

4.3%

31 Dec 2019

As at 31 December 2019

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

1. Based on total loans and borrowings principal attributable to Unitholders divided by total assets attributable to Unitholders. MAS leverage limit is 45%.
2. Average cost of debt will be 5.0% per annum if amortisation of loan establishment fee is included.



Portfolio Review



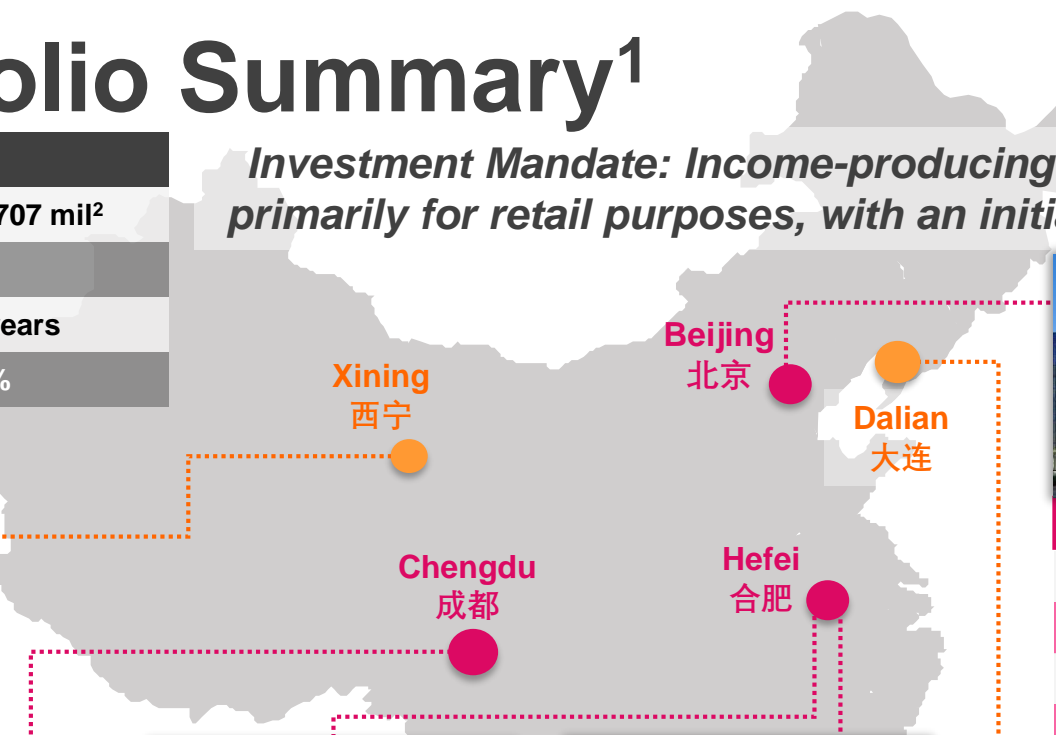
Photo of Hefei Changjiangxilu 合肥长江西路



Portfolio Summary¹

Investment Mandate: Income-producing real estate used primarily for retail purposes, with an initial focus on China

Portfolio
Valuation : RMB 4,707 mil²
NLA : 180,751 sqm
WALE (NLA) : 7.1 years
Occupancy : 96.7 %



Xining Huayuan
Valuation : RMB 280 mil²
NLA : 20,807 sqm
WALE (NLA) 15.0 years
Occupancy : 100.0 %



Chengdu Konggang
Valuation : RMB 662 mil²
NLA : 39,119 sqm
WALE (NLA) : 4.1 years
Occupancy : 94.7 %



Hefei Mengchenglu
Valuation : RMB 603 mil²
NLA : 23,474 sqm
WALE (NLA) : 7.4 years
Occupancy : 95.1 %



Hefei Changjiangxilu
Valuation : RMB 492 mil²
NLA : 27,038 sqm
WALE (NLA) : 7.5 years
Occupancy : 97.6 %



Beijing Wanliu
Valuation : RMB 2,502 mil²
NLA : 54,968 sqm
WALE (NLA) : 3.6 years
Occupancy : 96.2 %



Dalian Jinsanjiao
Valuation : RMB 168 mil²
NLA : 15,345 sqm
WALE (NLA) : 15.0 years
Occupancy: 100.0 %

- Multi-tenanted
- Master-leased

1 As at 31 December 2019.
 2 Based on independent valuation from Jones Lang LaSalle Corporate Appraisal and Advisory Limited as at 31 December 2019.



Resilient Portfolio & Steady Catchment

One-stop destination malls that serve its communities

Surrounded by high density residential area

Strong focus on experiential and lifestyle segments

Underpinned by rising resident income and domestic consumption





High Occupancy Rate

Occupancy Rate	31 Dec 2019
Beijing Wanliu	96.2%
Chengdu Konggang	94.7%
Hefei Mengchenglu	95.1%
Hefei Changjiangxilu	97.6%
Xining Huayuan	100.0%
Dalian Jinsanjiao	100.0%
Portfolio (NLA Weighted)	96.7%





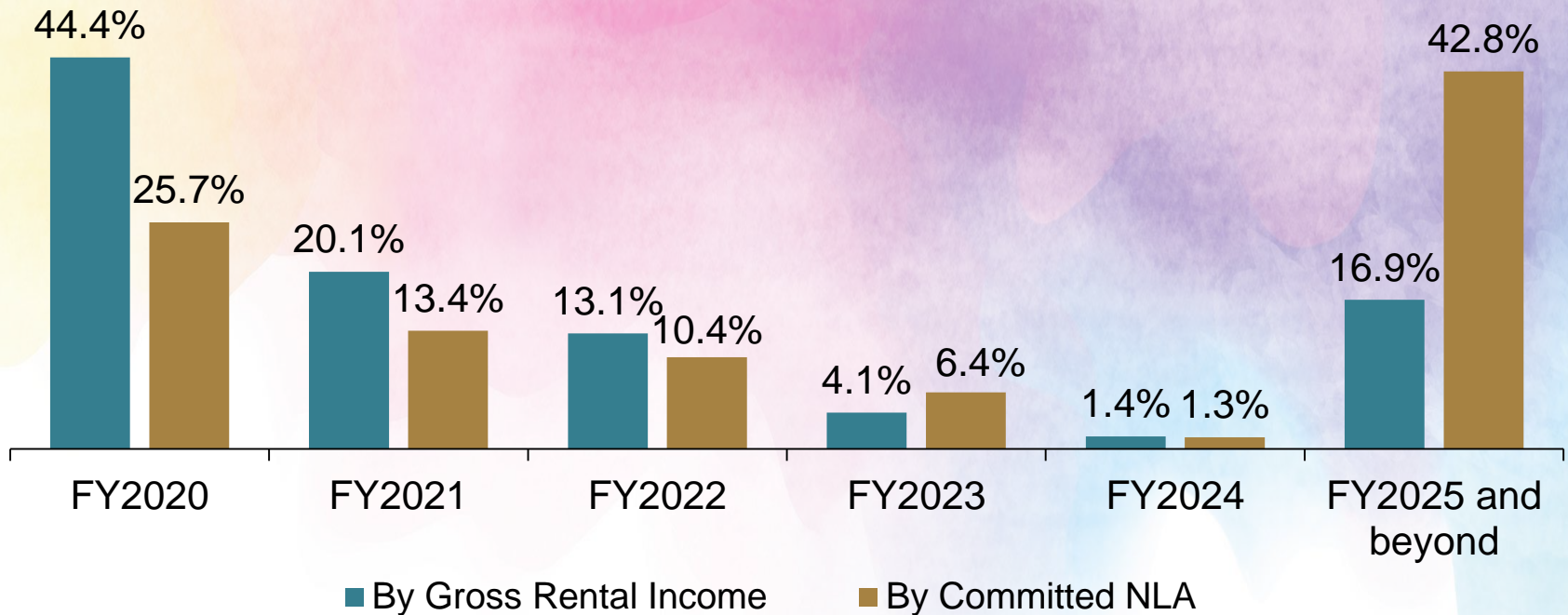
Optimal Leasing Strategy

**Healthy
Rental
Reversion**

**Weighted average lease expiry (WALE)
as at 31 December 2019**

By Gross Rental Income	3.4 years
By Committed NLA	7.1 years

Lease Expiry Profile (By year)

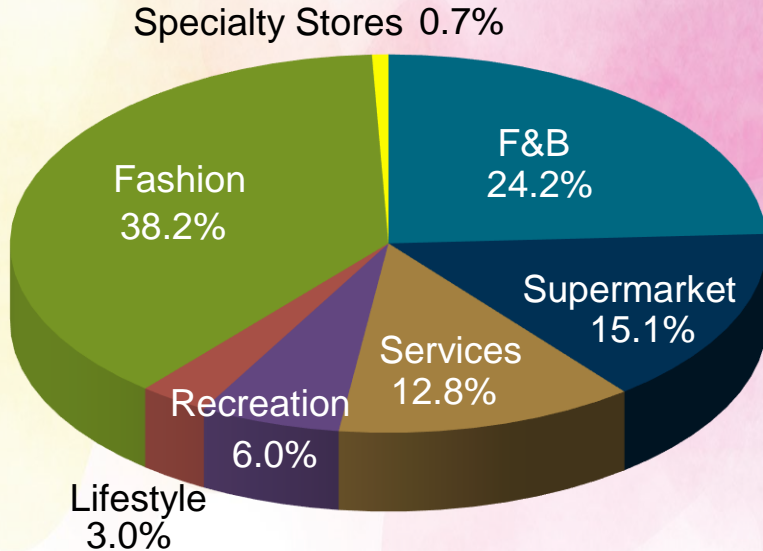




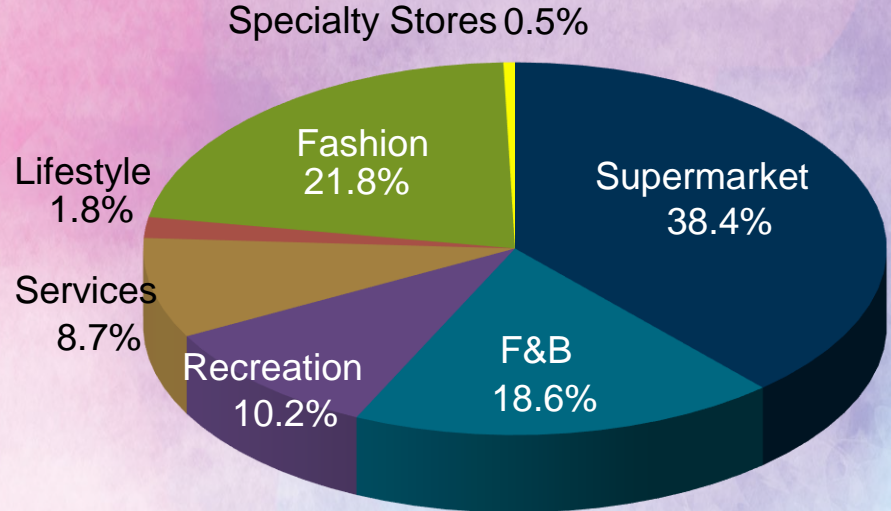
Well Diversified Portfolio Tenant Mix

Over 60% of Gross Rental Income and Close to 80% of Net Lettable Area from experiential segment (exclude fashion and specialty stores)

Breakdown of Gross Rental Income¹ by Trade Sector



Breakdown of Net Lettable Area² by Trade Sector



1 As percentage of the portfolio's gross rental income for the month of December 2019.

2 As percentage of the portfolio's net lettable area as at 31 December 2019.



Beijing Wanliu Refreshed Tenancies

Folli Follie Kids



Chao Zhou Ren 潮粥人



Kamal Yoga 卡莫瑜伽



M&G Shop 九木杂物社





Beijing Wanliu New Concept

Amazing Adult Art Space 阿美滋艺术中心



- Refreshing art-making experience using all kinds of materials (e.g pins, strings, lego blocks, used clothings, newspaper strips, etc)
- Caters to both adults and children
- Offers joint participation by parents and kids, as a form of family-bonding activity



Engaging The Community & Tenants

Beijing Wanliu 北京万柳

Story-Telling Night



Children Art Class



Street Dance Event





Engaging The Community & Tenants

Chengdu Konggang 成都空港

Snacks For Grabs Activity



Babies Crawling Contest



Community Movie Night





Engaging The Community & Tenants

Hefei Mengchenglu 合肥蒙城路

Halloween Celebration



Chinese Studies Class



Christmas Eve Giveaway





Engaging The Community & Tenants

Hefei Changjiangxilu 合肥长江西路

English Language Contest



Story-Telling Night



Super Members Day





Overview of Beijing Hualian Group

北京华联集团介绍

Singapore's First Pure-Play China Retail REIT
Sponsored By A China-Based Group





Beijing Hualian Group's Core Businesses

Retail Malls

More than 30 Retail Malls owned and/or under management

Beijing Hualian Department Store Co., Ltd.

- Listed on Shenzhen Stock Exchange in 1998
- Market cap of RMB 5.4b¹
- Wide network of retail malls across China
- With focus on community retail malls well located in areas of high population density
- <http://www.bhgmall.com.cn/>



“Sponsor”

Supermarkets

More than 150 Supermarkets across China

Beijing Hualian Hypermarket Co., Ltd.

- Listed on Shanghai Stock Exchange in 2001
- Market cap of RMB 2.3b¹
- Anchor / master-lease tenants at every property in the REIT's portfolio
- Attracts recurring footfall while providing stable income and step-up.



SKP Luxury Department Stores
Operates SKP Beijing & Xi'An
Offers high-end retail goods and services

- Amongst the Largest Luxury Department Stores in China
- SKP Beijing: Located at Beijing's prime Central Business District, as one of Beijing's landmark shopping places
<http://www.skp-beijing.com/>
- SKP Xi' An: Opened in May 2018



International Retail Partnerships

- Secure distributorships for international renowned brands
- Partnering brands are featured in the REIT's portfolio
- Joint venture with Costa Coffee for the entire Northern China



1. Bloomberg data as of 7 February 2020.



Looking Forward





Looking Forward

Organic Growth

Proactive Asset Management

- Reinforce community positioning of our malls
- Improve rents while maintaining high occupancy rates
- Build firm partnerships with tenants, and demonstrate proactive tenant management
- Proactive marketing strategies
- Tap on Sponsor and Group retailer 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

Acquisition Growth

- **Completed Acquisition Hefei Changjiangxilu** (April 2019)
- **Explore Acquisition Opportunities In Both Right of First Refusal (“ROFR”) and Third Party Quality Income-Producing Retail Properties**
- **Key criteria**
 - Yield accretive
 - Location (Ease of access, connectivity, targeted catchment, concentration of competitors, etc)
 - Potential for asset enhancement



Outlook¹

+6.1%

China GDP
Growth in 2019
(y-o-y)

+8.0%

China Retail Sales
Growth in 2019
(y-o-y)

Urban residents
increase from
59.6% in 2018 to
60.6% in 2019.

+7.9%

Disposable income
per capita for
urban residents in
2019 (y-o-y)

+7.5%

Expenditure per
capita for urban
residents in
2019 (y-o-y)

1. Source: National Bureau of Statistics of China

BHG

MALL REIT

Thank you

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