

Anchoring Foundations. Staying Resilient.



# BHG RETAIL REIT

# ANNUAL GENERAL MEETING

## 27 APRIL 2021





# Content

Anchoring Foundations. Staying Resilient.

- 1 Financial Highlights
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Costa Coffee @ Beijing Wanliu  
Costa Coffee Collaborates with RDV (An Experiential Bookstore)

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

唱吧 麦颂 KTV 4F

华联影院

旺顺

# Financial Highlights

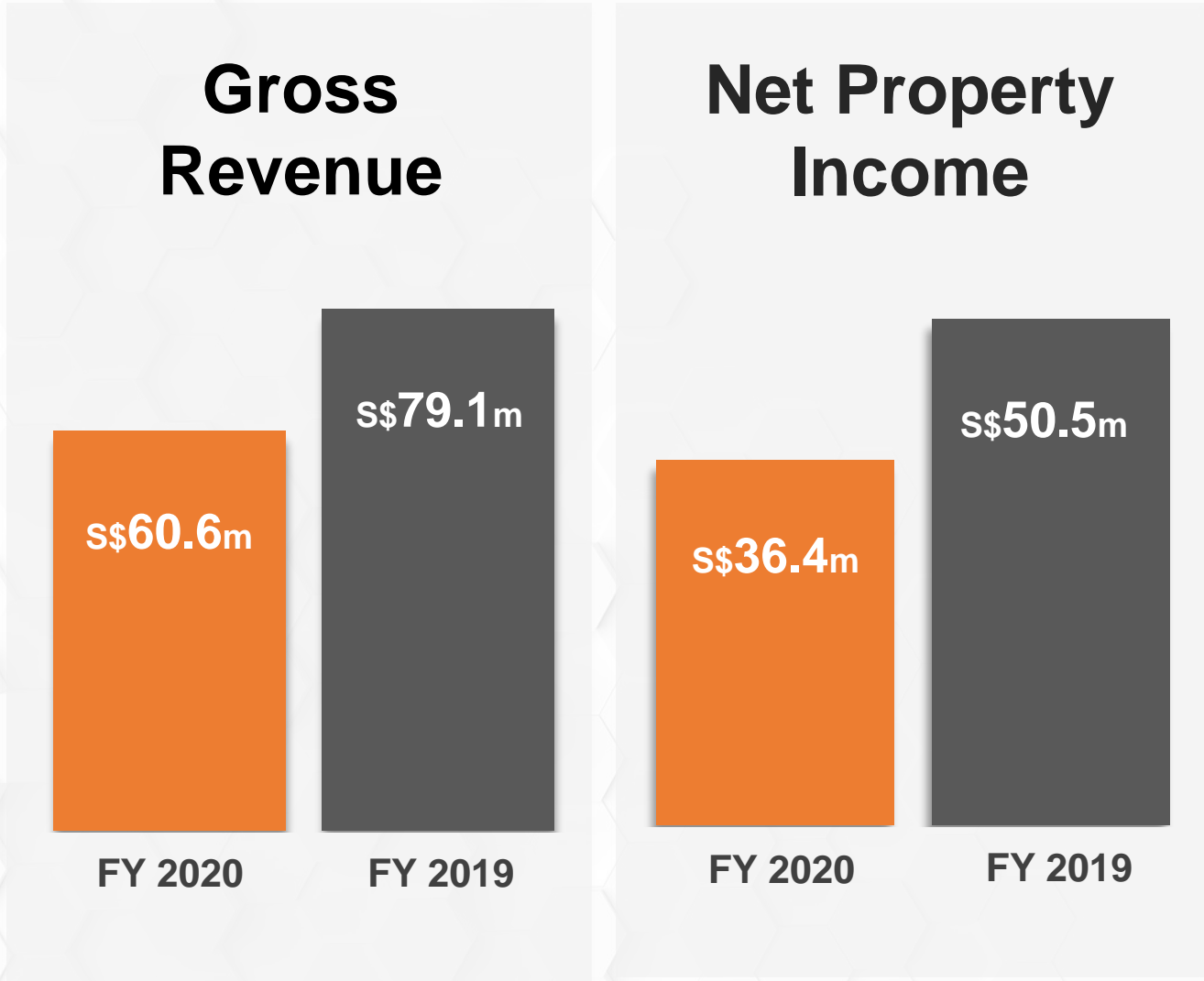


Photo of Beijing Wanliu 北京万柳照片



# Financial Highlights: FY 2020 (Full Year)

## FY 2020 vs FY 2019 (year-on-year)



Amount to be distributed to Unitholders<sup>1</sup>  
FY 2020  
**S\$9.5m**

Distribution per Unit<sup>1</sup>  
FY 2020  
**1.95 cents**

<sup>1</sup> Approximately S\$ 1.1 million of the amount available for distribution had been retained in FY 2020 for operational expenses and working capital requirements of the REIT.



# Portfolio Assets Under Management<sup>1,2</sup>

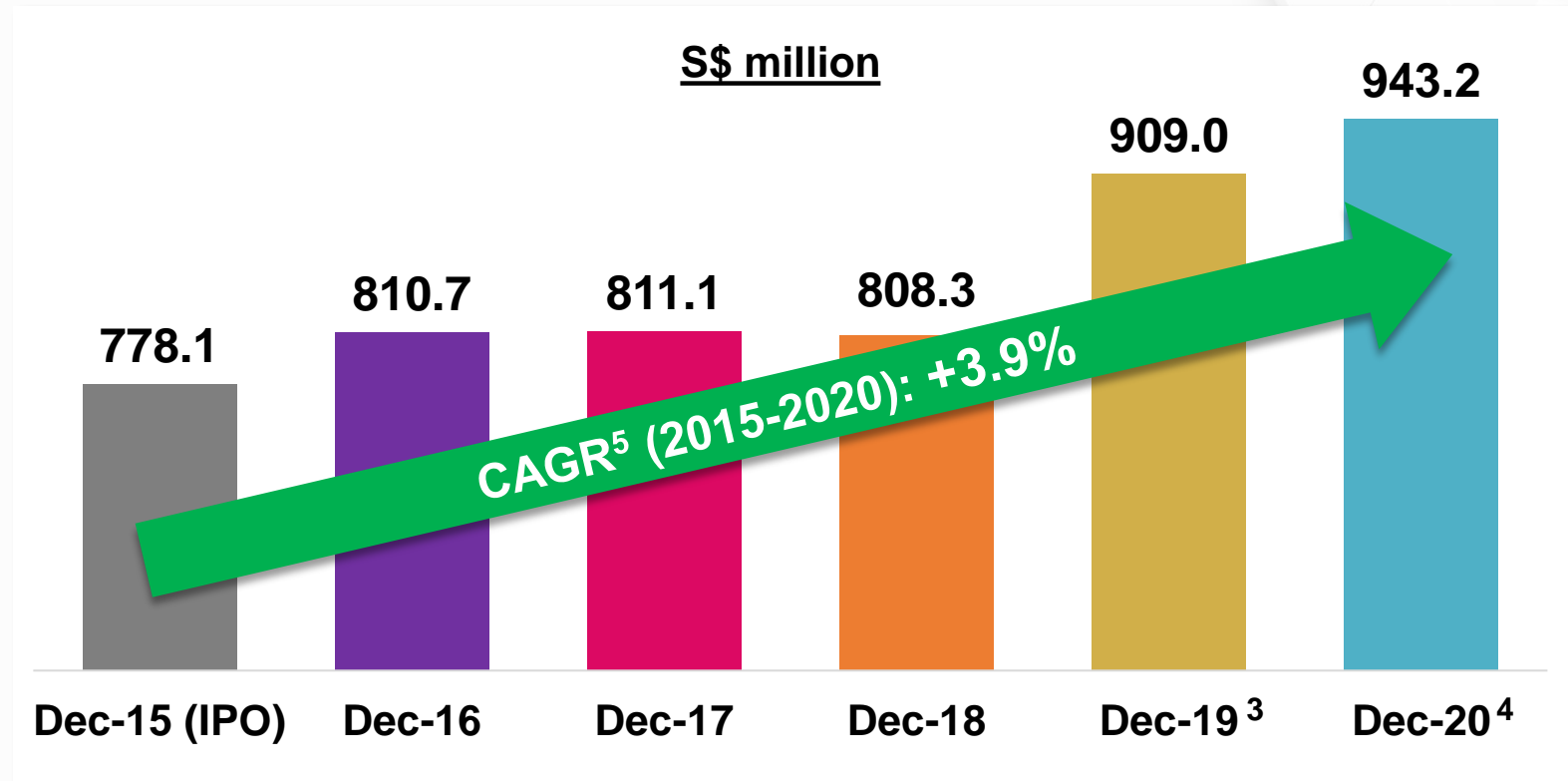
## Valuations Remain Stable Despite Pandemic

Independent Valuation<sup>4</sup>  
31 Dec 2020

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**s\$943.2m**

**+3.8%**  
Year-on-year



1. Based on 100% contribution from Beijing Wanliu.
2. Based on annual valuation from independent valuers.
3. Includes contribution from Hefei Changjiangxilu Mall which was acquired on 2 April 2019.
4. Based on independent valuation from Knight Frank Petty Limited as at 31 December 2020.  
Overall valuation in Renminbi of RMB 4.7 billion dipped marginally by 1.0% year-on-year.
5. Compound Annual Growth Rate (CAGR).



# Capital Management

Healthy Gearing. Available Debt Headroom For Growth.

As at 31 December 2020

Aggregated borrowings drawn down  
**S\$294.8m**

Gearing Ratio<sup>1</sup>

**35.7 %**

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

**4.1 %**

Interest Coverage Ratio<sup>3</sup>

**2.3 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 4.9% 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.



# Property Updates



Photo of Costa Coffee @ Beijing Wanliu



# 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





# Resilient Community-Focused Portfolio

## Recurring Neighbourhood Traffic

Gross Floor Area<sup>1</sup>  
**311,691**  
sqm

Valuation<sup>2</sup>  
**s\$943.2m**

Committed  
Occupancy  
Rate<sup>1</sup>  
**93.5%**

- One-stop destination malls that serve adjacent communities
- Surrounded by densely populated residential properties
- Strong focus on experiential and lifestyle segment
- Underpinned by rising resident income and domestic consumption



1. As at 31 December 2020.

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



# Track Record of High Occupancy Rate and Healthy Leasing Demand



● Multi-tenanted ● Master-leased

OCCUPANCY RATE	2016 <sup>1</sup>	2017 <sup>1</sup>	2018 <sup>1</sup>	2019 <sup>1</sup>	2020 <sup>1</sup>
● Beijing Wanliu	99.5%	100%	100%	96.2%	92.7%
● Chengdu Konggang	91.3%	96.8%	97.0%	94.7%	96.4%
● Hefei Mengchenglu	100%	100.0%	96.2%	95.1%	81.7% <sup>2</sup>
● Hefei Changjiangxilu <sup>3</sup>	N.A.	N.A.	N.A.	97.6%	92.4%
● Xining Huayuan	100%	100%	100%	100%	100%
● Dalian Jinsanjiao	100%	100%	100%	100%	100%
<b>Portfolio (NLA Weighted)</b>	<b>97.6%</b>	<b>99.7%</b>	<b>98.7%</b>	<b>96.7%</b>	<b>93.5%</b>

1. As at 31 December

2. Ongoing tenancy rejuvenation.

3. Hefei Changjiangxilu Mall was acquired on 2 April 2019.



# Rejuvenating Assets & Offerings



# Supermarket Resizing Exercise @ Beijing Wanliu

Refined Offerings. Added New Varieties. Refreshed Experiences.

- Reduced supermarket's area from 7,231.8 sqm to 4,180.3 sqm, which paved the way for new retail & F&B tenants.
- Increased the mall's variety of retail & F&B offerings, invigorated the recovered area, and gave the enhanced cluster a renewed appearance.
- Growth in average rent & rental income.



Photo of Xian He Zhuang 贤合庄 @ Beijing Wanliu B1



Photo of Miniso @ Beijing Wanliu B1



Photo of Ku Yue Chao Wan 酷乐潮玩 @ Beijing Wanliu B1

# Asset Enhancement Exercise @ B1 of Beijing Wanliu

Enhanced Accessibility & Traffic flow. Invigorated Community Space.

Additional Stairway Access From L1 to B1



- ✓ New LED Media Panel Pillar
- ✓ Ancillary visual enhancements



Installation of Additional Set of Escalators





# Refreshed Tenancies & Concepts @ Beijing Wanliu

Costa Coffee's New Collaboration with "RDV" (An Experiential Bookstore)



SKIMAN (Ski Simulator & Training)



Jin Zhang Shao 金掌勺 (North-Eastern China Local Cuisine)



Jiu Tian Home 九田家 (Japanese Barbecue)





# Newly Launched Night Market @ Chengdu Konggang



- Officially launched on 1<sup>st</sup> October 2020.
- In response to Chinese government's guidance to boost "Night Economy 夜间经济", as most sales are typically generated between 6pm and 10pm.
- Ushered in 13 unique tenants providing F&B eateries as well as culturally innovative products.
- Added about 120 square meters of lettable space.
- Further enhanced the vibrancy, visibility and appeal of the mall to surrounding community.
- Enriched the exterior's content and F&B selections.



# Marketing Activities Resumed @ Chengdu Konggang



"Little Firefighters" Event @ Chengdu Konggang



"Children's Street Dance" Event @ Chengdu Konggang



Children's Flea Market @ Chengdu Konggang





# Marketing Activities Resumed @ Hefei Mengchenglu



"Public Story-Telling" Event @ Hefei Mengchenglu



"I'm Here For Love" Event @ Hefei Mengchenglu



Community Fluorescent Night Party @ Hefei Mengchenglu



# Marketing Activities Resumed @ Hefei Changjiangxilu



“Public Story-Telling” Event @ Hefei Changjiangxilu



“I'm Here For Love” Event @ Hefei Changjiangxilu



Painting Experience @ Hefei Changjiangxilu



# Staying Connected with Omnichannel Visitors

**BHG Mall Launched E-Commerce Platform.  
Sharing Online Capability Across All BHG Malls.**

**Select Mall**

北京 其他地区

当前门店: 暂无当前门店信息请自选门店

- 北京华联公益西桥购物中心 44
- 北京华联亦庄之宝购物中心 44
- 北京华联万柳购物中心 44
- 北京华联天时尚苑购物中心 44
- 北京华联常营购物中心 44
- 北京华联肖家河购物中心 44
- 北京华联武夷花园购物中心 44

自动积分 每日签到 门店活动 积分换礼 积分抽奖

新会员专区 限时抢购

全部 美食 娱乐 生活 购物

B1 遛弯儿市集 B1全新亮相 免费领 立即领取

F1 麦当劳 麦辣鸡翅一对 免费领 立即领取

- The BHG Mall online platform is launched amid COVID-19 via Wechat Mini-Program.
- Keep customers apprised of promotional items & events.
- Provide a convenient and regular way for customers to stay connected with our malls.
- Reward points to enhance customers' loyalty to both BHG malls as well as retailers.



# Live Broadcast: Reinventing Retail Experience

Combination of various style/format for example:

- (1) In-store retail exploration
- (2) Promotional deals
- (3) Product introduction and awareness
- (4) Showcasing skills & dining experience.

**In-Store Exploration (Fashion)**




Ge Ge Wu 戈格烏 @ Hefei Changjiangxilu

**Promotional Deals For Grabs (Limited Time)**



北京华联购... 2221 观看

小程序直播

已开奖

港岛妹妹、进入直播间

玲: 冰丝席

A花花朵: 冰丝席

Luckystar: 冰丝席

lorna: 休息了哇

港岛妹妹: 怎么领奖啊

54135

Promotional Deals (By Mall)  
@ Chengdu Konggang

**Product Introduction (Mobile Device)**



Huawei @ Beijing Wanliu

**Showcasing Chef's Culinary Skills**



Wang Shun Ge Restaurant 旺顺阁  
@ Beijing Wanliu



# Attractive Promotional Initiatives

## Joint Initiative Promotions

- Spending of RMB 300 at Cinema, for RMB 300 worth of vouchers from Supermarket, Muji, H&M, C&A.
- 1-1 worth of vouchers for amount spent

## Retail Vouchers

- Retail & dining vouchers with attractive discount.
- Shoppers can purchase the discounted vouchers online and in the mall, and use them at participating brands.
- Limited to specific time period.

**华联影院** BHC Wanlin MALL  
300元购华联影院  
10张套票  
送300元代金券

抢购时间：  
9月18日(周五)限量抢购  
(50人次)



### 100元超市代金券

(单笔消费满 300 元使用一张, 以此类推)

9月19日至10月18日法定节假日均可使用



### 100元 MUJI 代金券

(单笔消费满 300 元使用一张, 可叠加其它优惠, 例如折扣、满减等, 以此类推)

9月19日至10月18日法定节假日均可使用



### 50元 H&M 代金券

(消费满 100 元使用一张, 可叠加其它优惠, 例如折扣、满减等, 以此类推)

9月19日至10月18日法定节假日均可使用



### 50元 C&A 代金券

(消费满 100 元使用一张, 可叠加其它优惠, 例如折扣、满减等, 以此类推)

9月19日至10月18日法定节假日均可使用

**MUJI**  
無印良品

**MUJI限时特惠  
套装代金券**

300元代金券限购买872元套餐使用  
200元代金券限购买622元套餐使用  
100元代金券限购买426元套餐使用

有效期: 7月3日-7月12日

BHC Wanlin MALL  
北京华联万柳购物中心

**MUJI**  
無印良品

**300元代金券**

限购买872元套餐使用

有效期: 7月3日-7月12日

**美食通吃**

9月26日至10月26日期间  
可使用四次(共四次)

黑松白鹿 kumashika 2008  
天意坊  
朝阳粥人 CHAO ZHOU REN  
绿茶  
野放  
旺顺阁  
馒头煎饼 青团 青团 青团 青团

本通吃卡可与店内活动共享  
(不含大众点评80元团100元)

仅需100元  
可享受正餐4次6折优惠  
每单不超过200元  
200元以上部分按店铺正常优惠政策付款  
如店内无优惠, 按原价支付

**150团200**  
大餐餐饮

F4 2F会员中心  
大餐代金券  
150团200  
使用时间: 2020.07.04 - 2020.07.10  
详情请咨询店内工作人员

**优惠说明**

1. 本券在北京华联空港购物中心使用, 但仅限参与“150团200”活动的商户使用;
2. 使用时间: 2020.7.4-2020.7.10;
3. 此券每人限购买1张(2张100元代金券), 同一店铺单次消费满100元(但可使用1张, 最多可用2张, 礼券不找零, 不兑换)

150元购买

# Awards & Accolades

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



Photo of Hefei Changjiangxilu



# Looking Forward



Photo of Chengdu Konggang



# 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 have rolled out a combination of monetary and fiscal measures to support its economy.
- Looking ahead in 2021, Chinese authorities said they will continue to seek stable expansion, job creation and to work more on boosting domestic demand and consumption.

1. Source: National Bureau of Statistics of China





# Looking Forward

Anchoring Foundations. Staying Resilient.

Notwithstanding this near-term headwind, 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 high 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 internal pipeline and third party quality income-producing properties.



Story-Telling Event @ Hefei Changjiangxilu



# Disclaimer

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. 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. These forward-looking statements speak only as at the date of this presentation. No assurance can be given that future events will occur, that projections will be achieved, or that assumptions are correct. 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 Real Estate Investment Trust (“BHG Retail REIT”) will operate in the future, interest rate trends, cost of capital and capital availability, competition from similar 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, 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 BHG Retail Trust Management Pte. Ltd.’s (the “Manager”) current views concerning future events and necessarily involve risks, uncertainties and assumptions.

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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, the Trustee, or any of their respective 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 is not necessarily indicative of the future performance of BHG Retail REIT. Similarly, the past performance of the Manager is not indicative of the future performance of 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 of BHG Retail REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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# Thank you

*Anchoring Foundations. Staying Resilient.*

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# BHG RETAIL REIT

# ANNUAL GENERAL MEETING

## 27 APRIL 2021





# Ordinary Resolution 1

**To receive and adopt the Report of the Trustee, the Statement by the Manager and the Audited Financial Statements of BHG Retail REIT for the financial year ended 31 December 2020 and the Auditors' Report thereon.**



# Ordinary Resolution 1

To receive and adopt the Report of the Trustee, the Statement by the Manager and the Audited Financial Statements of BHG Retail REIT for the financial year ended 31 December 2020 and the Auditors' Report thereon.

	No. of Votes	Percentage
For	211,688,556	100.00%
Against	0	0.00%



# Ordinary Resolution 2

**To re-appoint KPMG LLP as Auditors of BHG Retail REIT and authorise the Manager to fix the Auditors' remuneration.**



# Ordinary Resolution 2

To re-appoint KPMG LLP as Auditors of BHG Retail REIT and authorise the Manager to fix the Auditors' remuneration.

	No. of Votes	Percentage
For	211,688,556	100.00%
Against	0	0.00%





# Ordinary Resolution 3

**To authorise the Manager to issue Units and make or grant convertible instruments.**



# Ordinary Resolution 3

To authorise the Manager to issue Units and make or grant convertible instruments.

	No. of Votes	Percentage
<b>For</b>	<b>211,688,556</b>	<b>100.00%</b>
<b>Against</b>	<b>0</b>	<b>0.00%</b>



# Ordinary Resolution 4

**To approve the entry into the new master property management agreement.**



# Ordinary Resolution 4

To approve the entry into the new master property management agreement.

	No. of Votes	Percentage
<b>For</b>	<b>25,607,400</b>	<b>100.00%</b>
<b>Against</b>	<b>0</b>	<b>0.00%</b>



# Thank you

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