

BHG Retail REIT and its Subsidiaries

**(Constituted in the Republic of Singapore pursuant
to a Trust Deed dated 18 November 2015)**

Unaudited Financial Information
Six-month period ended 30 June 2025

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Statements of Financial Position
As at 30 June 2025

	Note	Group		REIT	
		30/6/2025	31/12/2024	30/6/2025	31/12/2024
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Investment properties	3	839,804	885,349	—	—
Plant and equipment		1,035	1,122	—	—
Interests in subsidiaries		—	—	584,340	584,661
Deferred tax assets		181	204	—	—
		<u>841,020</u>	<u>886,675</u>	<u>584,340</u>	<u>584,661</u>
Current assets					
Trade and other receivables		13,430	10,753	2,393	2,008
Cash and cash equivalents	4	16,565	29,042	4,254	5,011
Derivative assets	5	—	163	—	163
		<u>29,995</u>	<u>39,958</u>	<u>6,647</u>	<u>7,182</u>
Total assets		<u>871,015</u>	<u>926,633</u>	<u>590,987</u>	<u>591,843</u>
Non-current liabilities					
Loans and borrowings	6	283,396	7,700	244,410	7,700
Trade and other payables		2,059	1,678	38,945	41,057
Security deposits		4,281	5,282	—	—
Lease liability		542	564	—	—
Deferred tax liabilities		32,996	34,913	—	—
Derivative liabilities	5	1,773	—	1,773	—
		<u>325,047</u>	<u>50,137</u>	<u>285,128</u>	<u>48,757</u>
Current liabilities					
Loans and borrowings	6	8,148	292,033	5,200	246,060
Trade and other payables		27,946	28,940	63,062	58,477
Security deposits		12,033	12,475	—	—
Current tax liabilities		2,334	2,494	—	—
Lease liability		69	67	—	—
Derivative liabilities	5	—	98	—	98
		<u>50,530</u>	<u>336,107</u>	<u>68,262</u>	<u>304,635</u>
Total liabilities		<u>375,577</u>	<u>386,244</u>	<u>353,390</u>	<u>353,392</u>
Net assets		<u>495,438</u>	<u>540,389</u>	<u>237,597</u>	<u>238,451</u>
Represented by:					
Unitholders' funds		338,773	374,027	237,597	238,451
Non-controlling interests		156,665	166,362	—	—
		<u>495,438</u>	<u>540,389</u>	<u>237,597</u>	<u>238,451</u>
Units in issue ('000)	7	<u>519,603</u>	<u>519,603</u>	<u>519,603</u>	<u>519,603</u>

Consolidated Statement of Total Return
Six-month period ended 30 June 2025

	Note	Group	
		Six-month	Six-month
		period	period
		ended	ended
		30/6/2025	30/6/2024
		S\$'000	S\$'000
Gross Revenue		28,089	31,336
Property operating expenses		(13,089)	(13,450)
Net property income		15,000	17,886
Other income		368	358
Manager's base fee		(142)	(160)
Trustee's fees		(70)	(72)
Other expenses		(486)	(336)
Finance income	9	21	48
Foreign exchange gain – realised		159	–
Finance cost	9	(8,140)	(9,976)
Total return for the period before unrealised foreign exchange (loss)/gain		6,710	7,748
Foreign exchange (loss)/gain – unrealised		(56)	34
Total return for the period before taxation		6,654	7,782
Taxation	10	(2,672)	(3,046)
Total return for the period after taxation		3,982	4,736
Attributable to:			
Unitholders		728	1,011
Non-controlling interests		3,254	3,725
Total return for the period after taxation		3,982	4,736
Earnings per Unit (cents)	11		
- Basic		0.14	0.19
- Diluted		0.14	0.19

Distribution Statement
Six-month period ended 30 June 2025

	Group	
	Six-month period ended 30/6/2025 S\$'000	Six-month period ended 30/6/2024 S\$'000
Amount available for distribution to Unitholders at beginning of the period	1,377	517
Total return for the period attributable to Unitholders	728	1,011
Distribution adjustments (Note A)	548	428
Income for the period available for distribution to Unitholders	1,276	1,439
Amount retained ⁽¹⁾	(128)	(144)
Income for the period to be distributed to Unitholders	1,148	1,295
Distribution to Unitholders during the period:		
- Distribution of 0.08 cents per Unit for period from 1 July 2023 to 31 December 2023	–	(416)
- Distribution of 0.25 cents per Unit for period from 1 July 2024 to 31 December 2024	(1,299)	–
	(1,299)	(416)
Amount available for distribution to Unitholders at end of the period	1,226	1,396
Distribution per unit (cents) ⁽²⁾	0.22	0.25

⁽¹⁾ For the period ended 30 June 2025, approximately S\$0.1 million (30 June 2024: S\$0.1 million) of the amount available for distribution has been retained for operational expenses and working capital requirements of the REIT.

⁽²⁾ The distribution per unit relates to the distributions in respect of the relevant financial period.

The distribution relating to 1 January 2025 to 30 June 2025 will be paid within 90 days from the end of the distribution period, in accordance with the provisions of the Trust Deed.

Distribution Statement (cont'd)
Six-month period ended 30 June 2025

Note A – Distribution adjustments

	Group	
	Six-month period ended 30/6/2025 S\$'000	Six-month period ended 30/6/2024 S\$'000
Distribution adjustment items:		
- Amortisation of debt establishment costs	1,079	1,218
- Deferred taxation ⁽¹⁾	(173)	(49)
- Transfer to statutory reserve	(415)	(589)
- Other adjustments ⁽¹⁾	57	(152)
Net effect of distribution adjustments	548	428

⁽¹⁾ Excludes share attributable to non-controlling interests

Consolidated Statement of Movements in Unitholders' Funds
Six-month period ended 30 June 2025

	Group		REIT	
	Six-month period ended 30/6/2025 S\$'000	Six-month period ended 30/6/2024 S\$'000	Six-month period ended 30/6/2025 S\$'000	Six-month period ended 30/6/2024 S\$'000
Unitholders' funds as at beginning of the period	374,027	376,198	238,451	253,146
Operations				
Total return/(loss) for the period after taxation attributable to Unitholders	728	1,011	2,283	(5,017)
Transfer to statutory reserve	(415)	(589)	—	—
Net increase/(decrease) in net assets resulting from operations	<u>313</u>	<u>422</u>	<u>2,283</u>	<u>(5,017)</u>
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(1,838)	195	(1,838)	195
Foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(32,845)	(1,761)	—	—
Statutory reserve				
Transfer from operations	415	589	—	—
Unitholders' transactions				
Distributions to Unitholders	(1,299)	(416)	(1,299)	(416)
Unitholders' funds as at end of the period	<u>338,773</u>	<u>375,227</u>	<u>237,597</u>	<u>247,908</u>

Portfolio Statement
As at 30 June 2025

Group		Term of lease (years)	Remaining term of lease (years)	Lease expiry	Valuation as at		Valuation as at		Percentage of Unitholders' funds	
Description of leasehold properties	Location				30/6/2025 RMB'000	31/12/2024 RMB'000	30/6/2025 S\$'000	31/12/2024 S\$'000	30/6/2025 %	31/12/2024 %
Beijing Wanliu	No.2 Bagou Road, Haidian District, Beijing	30	19 ⁽¹⁾	2044	2,557,000	2,557,000	454,087	478,714	134	127
Chengdu Konggang	No. 166 Jinhua Road second section, Shuangliu County, Chengdu	32	22 ⁽²⁾	2047	674,000	674,000	119,693	126,184	35	34
Hefei Mengchenglu	No.99 Mengcheng Road, Luyang District, Hefei	30	19	2044	595,000	595,000	105,664	111,394	31	30
Hefei Changjiangxilu	No. 639 Changjiangxilu Road, Shushan District, Hefei	30	18	2043	485,000	485,000	86,129	90,800	26	24
Xining Huayuan	Nos.16-19 Shipo street, Chengzhong District, Xining	34	23	2048	259,000	259,000	45,995	48,489	14	13
Dalian Jinsanjiao	No.18 Huadong Road, Ganjingzi District, Dalian	33	17	2042	159,000	159,000	28,236	29,768	8	8
Investment properties, at valuation							839,804	885,349	248	236
Other assets and liabilities (net)							(344,366)	(344,960)	(102)	(92)
Net assets							495,438	540,389	146	144
Net assets attributable to non-controlling interests							(156,665)	(166,362)	(46)	(44)
Net assets attributable to Unitholders							338,773	374,027	100	100

⁽¹⁾ 29 years of remaining term lease for underground car parking use.

⁽²⁾ 52 years of remaining term lease for underground car parking use

Consolidated Statement of Cash Flows
Six-month period ended 30 June 2025

	Note	Group Six-moth Period ended 30/6/2025 S\$'000	Group Six-moth Period ended 30/6/2024 S\$'000
Cash flows from operating activities			
Total return for the period before taxation		6,654	7,782
Adjustments for:			
Finance income		(21)	(48)
Finance costs		8,140	9,976
Depreciation of plant and equipment		68	36
Foreign exchange loss/(gain) – unrealised		56	(34)
Impairment loss written back on trade and other receivables		(6)	–
Operating income before working capital changes		14,891	17,712
Changes in:			
Trade and other receivables		(2,353)	(8,331)
Trade and other payables		518	(2,131)
Security deposits		(1,443)	1,525
Cash generated from operating activities		11,613	8,775
Tax paid		(2,877)	(2,431)
Net cash generated from operating activities		8,736	6,344
Cash flows from investing activities			
Capital expenditure on investment properties	3	(213)	(3,517)
Purchase of plant and equipment		(4)	(6)
Interest received		21	48
Net cash used in investing activities		(196)	(3,475)
Cash flows from financing activities			
Distribution to Unitholders		(1,299)	(416)
Dividend paid to non-controlling interests		(4,336)	(4,108)
Increase in restricted cash		–	(731)
Proceeds from borrowings		–	2,416
Repayment of borrowings		(1,261)	(3,715)
Net settlement of derivative contracts		(41)	433
Payment of transaction costs related to loans and borrowings		(5,691)	(19)
Interest paid		(7,400)	(8,737)
Net cash used in financing activities		(20,028)	(14,877)

Consolidated Statement of Cash Flows (cont'd)
Six-month period ended 30 June 2025

	Note	Group	
		Six-moth	Six-moth
		Period ended	Period ended
		30/6/2025	30/6/2024
		S\$'000	S\$'000
Decrease in cash and cash equivalents		(11,488)	(12,008)
Cash and cash equivalents as at beginning of the period		23,341	37,941
Effect of foreign exchange rate changes on cash balances		(910)	152
Cash and cash equivalents at end of the period	4	10,943	26,085

Notes to the Financial Information

These notes form an integral part of the financial information.

1. General

BHG Retail REIT (the “REIT”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 18 November 2015 (as amended by a first supplemental deed dated 26 March 2018, a second supplemental deed dated 20 April 2018 and a third supplemental deed dated 14 April 2020) (collectively the “Trust Deed”) between BHG Retail Trust Management Pte. Ltd. (the “Manager”) and DBS Trustee Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the REIT held by it or through its subsidiaries (the “Group”) in trust for the holders of units (“Units”) in the REIT.

The REIT was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 11 December 2015 (the “Listing Date”).

The principal activities of the REIT are those relating to investment in a diversified portfolio of income-producing properties located primarily in the People’s Republic of China (“China”) and used primarily for retail purposes.

The principal activities of the subsidiaries are those of investment holding of properties located in China and used for retail purposes.

The consolidated financial information (“Financial Information”) relate to the Trust and its subsidiaries (the “Group”).

The Group has entered into several service agreements in relation to the management of the REIT and its property operations. The main fee structures for these services are as follows:

(i) Trustee’s fees

Pursuant to Clause 15.5 of the Trust Deed, the Trustee’s fees shall not exceed 0.1% per annum of the value of deposited property, subject to a minimum of S\$10,000 per month, excluding out-of-pocket expenses and Goods and Services Tax.

(ii) Manager’s management fees

The Manager is entitled under Clauses 15.1 of the Trust Deed to the following management fees:

- a base fee of 10% per annum of the annual distributable income; and
- a performance fee of 25% per annum of the difference in distribution per unit (“DPU”) in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

The Manager may elect to receive the management fees in cash or Units or a combination of cash and/or Units (as it may in its sole discretion determine).

(iii) Property management fees

Under the property management agreement in respect of each property, the property manager (“Property Manager”) will provide lease management services, property management services and marketing co-ordination services in relation to the property. The Property Manager is entitled to the following fees:

- 2% per annum of the gross revenue of the property;
- 2.5% per annum of the net property income of the property; and
- a one-time lease-up commission of 2 months of fixed rent for securing of new tenants for a tenancy of at least three years, commencing for new tenancies entered into from 1 January 2018.

The property management fees are payable to the Property Manager in the form of cash and/or Units.

2. Basis of preparation

The financial information have been prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice (“RAP”) 7 Reporting Framework for Unit Trusts issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2024. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards (“SFRS”).

The financial information does not contain all of the information required for full annual financial statements.

The financial information has been prepared on a historical cost basis, except for the investment properties and financial derivatives which are stated at their fair values.

The financial information is presented in Singapore dollars which is the REIT’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

The preparation of the financial information in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this financial information, significant judgements made by the Manager in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last issued audited financial statements as at and for the year ended 31 December 2024.

The accounting policies applied by the Group in this Financial Information are the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2024. A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing this financial information.

The adoption of these new and revised standards are not expected to have a material impact on the Group's Financial Information.

3. Investment properties

	Group	
	30/6/2025	31/12/2024
	S\$'000	S\$'000
At beginning of the period	885,349	878,152
Additions during the period	213	4,815
	885,562	882,967
Changes in fair value	–	(4,798)
Translation differences	(45,758)	7,180
At end of the period	839,804	885,349

Investment properties comprise retail properties that are held mainly for use by tenants under operating leases (see Portfolio Statement for details).

Measurement of fair value

The fair value of investment properties were determined by external independent valuers having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. Valuations of the investment properties are carried out at least once a year. Investment properties were not revalued for the purposes of interim financial reporting as at 30 June 2025. The Manager believes that the carrying amount of the investment properties reflects their respective valuations as at 30 June 2025.

The valuers have considered valuation techniques including the discounted cash flow method and capitalisation approach method. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates.

The valuation technique(s) considered by valuers for each property is in line with market practices generally adopted in the jurisdiction in which the property is located.

4. Cash and cash equivalents

	Group		REIT	
	30/6/2025	31/12/2024	30/6/2025	31/12/2024
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at banks and in hand	16,565	29,042	4,254	5,011
Restricted cash	(5,622)	(5,701)	(4,166)	(4,166)
Cash and cash equivalents in statement of cash flow	10,943	23,341	88	845

5. Financial derivatives

	Group and REIT	
	30/6/2025	31/12/2024
	S\$'000	S\$'000
Derivative assets		
Interest rate swaps used for hedging	—	163
Current	—	163
Derivative liabilities		
Interest rate swaps used for hedging	1,773	98
Non-current	1,773	—
Current	—	98

Interest rate swaps

The Group and the REIT use interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing term loans by swapping the interest expense on a proportion of these term loans from floating rates to fixed rates.

Interest rate swaps of the Group and the REIT with a total notional amount of S\$82.0 million (2024: S\$123.0 million) are entered, to provide fixed rate funding for average terms of 3 years (2024: 3 years) at an average interest rate of 2.30% (2024: 3.01%) per annum. These interest rate swaps are designated as hedging instruments in cash flow hedges. The fair value of financial derivatives represented 0.36% (2024: 0.01%) of the net assets of the Group as at 30 June 2025.

6. Loans and borrowings

	Group		REIT	
	30/6/2025	31/12/2024	30/6/2025	31/12/2024
	S\$'000	S\$'000	S\$'000	S\$'000
Unsecured loan	7,700	7,700	7,700	7,700
Secured loans	289,051	292,642	246,647	246,647
Less: Unamortised transaction costs	(5,207)	(609)	(4,737)	(587)
	<u>291,544</u>	<u>299,733</u>	<u>249,610</u>	<u>253,760</u>
Current	8,148	292,033	5,200	246,060
Non-current	283,396	7,700	244,410	7,700
	<u>291,544</u>	<u>299,733</u>	<u>249,610</u>	<u>253,760</u>

Facilities and securities

The Group has put in place two onshore secured borrowing facilities of RMB 192.5 million and RMB 104.5 million respectively which in total is equivalent to S\$63.4 million, and an offshore secured borrowing facility of S\$252.0 million. As at 30 June 2025, the S\$252.0 million offshore facility was fully drawn down, while RMB 178.5 million and RMB 99.1 million were drawn down from RMB 192.5 million and RMB 104.5 million onshore facilities respectively.

The onshore facilities are collectively secured by a legal mortgage over the Group's investment properties, and a pledge over the receivables of the six (2024: six) subsidiaries in China.

The offshore facility is secured by way of a charge on 100% REIT's shareholding in the Singapore holding companies, an equity pledge on Petra 1 (China) Mall Pte. Ltd.'s 60% equity interest in Beijing Hualian Wanmao Shopping Mall Management Co., Ltd., and equity pledges on the remaining five (2024: five) Singapore holding companies' 100% equity interest in the respective subsidiaries in China.

For the period ended 30 June 2025, the Group had repaid RMB 6.9 million (30 June 2024: RMB 6.5 million) of the onshore facilities, in accordance with the facility agreements. For the period ended 30 June 2025, the REIT had nil (30 June 2024: S\$2.5 million) repayment of offshore facilities, in accordance with the facility agreements.

7. Units in issue

	Group and REIT	
	30/6/2025	31/12/2024
	Number	Number
	of Units	of Units
	'000	'000
Total Units in issue at the beginning and end of period	<u>519,603</u>	<u>519,603</u>

8. Net asset value per Unit

	Group		REIT	
	30/6/2025	31/12/2024	30/6/2025	31/12/2024
	S\$'000	S\$'000	S\$'000	S\$'000
Net asset value per Unit is based on:				
Net assets attributable to Unitholders	338,773	374,027	237,597	238,451
Number of Units in issue and to be issued at end of year ('000)	519,603	519,603	519,603	519,603
Net asset value per unit (S\$)	0.65	0.72	0.46	0.46

Net asset value per unit and net tangible asset per unit is the same amount and both are calculated based on the number of units in issue as at the respective year end.

9. Finance income and finance costs

	Group	
	Six-month period ended 30/6/2025 S\$'000	Six-month period ended 30/6/2024 S\$'000
Finance income:		
- financial institutions	21	48
Finance costs:		
- amortisation of borrowing costs	(1,079)	(1,218)
- interest expenses on loans and borrowings	(7,048)	(8,758)
- interest expenses on lease liability	(13)	—
	(8,140)	(9,976)
Net finance costs recognised in statement of total return	(8,119)	(9,928)

10. Taxation

	Group	
	Six-month period ended 30/6/2025 S\$'000	Six-month period ended 30/6/2024 S\$'000
<i>Current taxation</i>		
Current year	2,454	2,787
Withholding tax	391	308
	2,845	3,095
<i>Deferred taxation</i>		
Reversal of temporary differences	(173)	(49)
Income tax expense	2,672	3,046

11. Earnings per Unit

Basic earnings per Unit

The calculation of basic earnings per Unit is based on weighted average number of Units during the period and total return for the period after taxation and non-controlling interests.

	Group	
	Six-month period ended 30/6/2025 S\$'000	Six-month period ended 30/6/2024 S\$'000
Total return for the period after taxation and non-controlling interests	728	1,011
	Number of Units '000	Number of Units '000
Weighted average number of issued and issuable Units at beginning and at end of the period	519,603	519,603
Basic earnings per Unit (cents)	0.14	0.19

Diluted earnings per Unit

The calculation of diluted earnings per Unit is based on weighted average number of Units during the period and total return for the period after taxation and non-controlling interests.

	Group	
	Six-month period ended 30/6/2025 S\$'000	Six-month period ended 30/6/2024 S\$'000
Total return for the period after taxation and non-controlling interests	728	1,011
	Number of Units '000	Number of Units '000
Weighted average number of issued and issuable Units at beginning and at end of the period	519,603	519,603
Diluted earnings per Unit (cents)	0.14	0.19

12. Financial ratios

	Group	
	30/6/2025	31/12/2024
Gearing Ratio (%) ⁽¹⁾	41.7	39.6
Interest Coverage Ratio (ICR) (times) ⁽²⁾	1.8	1.7
Ratio of expenses to average net asset value (times) ⁽³⁾		
- excluding performance component of Manager's management fees	0.4	0.4
- including performance component of Manager's management fees	0.4	0.4
Ratio of expenses to net asset value (times) ⁽⁴⁾	5.6	5.5
Portfolio turnover rate (times) ⁽⁵⁾	—	—

Notes:

- (1) The ratio is calculated based on the total loans and borrowings principal attributable to Unitholders divided by total assets attributable to Unitholders.
- (2) The ratio 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, borrowing-related fees and distributions on hybrid securities. The adjusted Interest Coverage Ratio is the same as Interest Coverage Ratio.
- (3) The ratio is computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group level, excluding property related expenses and borrowing costs.
- (4) The ratio is computed based on total operating expenses, including all fees and charges paid to the Manager and related parties for the financial period (2025: S\$27,554,000 and 2024: S\$29,582,000) and as a percentage of net asset value as at the financial period end.
- (5) The ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value. There was no purchase or sale of the investment properties in 2025 and 2024.

Capital Management

The Group continually monitors its gearing ratio and ICR limit and maintains it within the approved limits, which provides comfortable debt headroom to facilitate any potential growth and acquisition. More than 80% of borrowings are denominated in Singapore dollars, of which about 30% of loans and borrowings are hedged via interest rate swaps. Weighted average term to maturity was 2.8 years as at 30 June 2025.

Monetary Authority Singapore (MAS) ICR sensitivity analysis using hypothetical assumptions prescribed by MAS

	Group
	30/6/2025
	ICR (times)
Scenario 1: Assuming 10% decrease in EBITDA	1.6
Scenario 2: Assuming 1% increase in weighted average interest rate	1.5

13. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

14. Operating segments

The Group has 6 (2024: 6) reportable segments, as described below, which are the Group's investment properties. The investment properties are managed separately because they require different operating and marketing strategies. For each of the investment properties, the Chief Operating Decision-Makers ("CODMs") review internal management reports on a monthly basis.

All of the Group's reportable segments are investment properties located in China used primarily for retail purposes. The reporting segments are as follows:

- Beijing Hualian Wanmao Shopping Mall Management Co., Ltd. ("Beijing Wanliu")
- Chengdu Hairong Xingda Real Property Co., Ltd. ("Chengdu Konggang")
- Hefei Hualian Rui An Shopping Mall Commercial Operation Co., Ltd. ("Hefei Mengchenglu")
- Hefei Hualian Ruicheng Shopping Plaza Commercial Operation Ltd. ("Hefei Changjiangxilu")
- Qinghai Xinglian Real Property Co., Ltd. ("Xining Huayuan")
- Dalian Hualian Commercial Facilities Operation Co., Ltd. ("Dalian Jinsanjiao")

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODMs for the purpose of assessment of segment performance. In addition, the CODMs monitor the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the REIT's financial assets and liabilities and its expenses. Segment capital expenditure is the total cost incurred during the year to improve segment assets that are expected to be used for more than one year.

Information regarding the Group's reportable segments is presented in the tables in the following pages.

For the purpose of monitoring segment performance, the Group's CODMs monitor the non-financial assets as well as financial assets attributable to each segment.

Information about reportable segments

	Beijing Wanliu S\$'000	Chengdu Konggang S\$'000	Hefei Mengchenglu S\$'000	Hefei Changjiangxilu S\$'000	Xining Huayuan S\$'000	Dalian Jinsanjiao S\$'000	Total S\$'000
Six-month period ended 30/6/2025							
External revenues:							
- Gross rental income	15,335	4,991	1,258	1,869	1,122	951	25,526
- Others	1,382	746	232	203	–	–	2,563
Gross revenue	16,717	5,737	1,490	2,072	1,122	951	28,089
Segment net property income	10,231	2,450	15	428	1,003	873	15,000
Finance income	12	698	186	55	283	114	1,348
Finance costs	(598)	(317)	(295)	(161)	(140)	–	(1,511)
Reportable segment total return before taxation	9,129	1,171	111	419	94	646	11,570
Segment assets	485,059	172,393	148,147	116,475	73,067	42,754	1,037,895
Segment liabilities	(264,101)	(162,861)	(147,282)	(93,567)	(68,478)	(36,172)	(772,461)
Other segment items:							
Depreciation	(7)	(54)	(3)	(4)	–	–	(68)
Capital expenditure	(213)	(4)	–	–	–	–	(217)

Information about reportable segments (cont'd)

	Beijing Wanliu S\$'000	Chengdu Konggang S\$'000	Hefei Mengchenglu S\$'000	Hefei Changjiangxilu S\$'000	Xining Huayuan S\$'000	Dalian Jinsanjiao S\$'000	Total S\$'000
Six-month period ended 30/6/2024							
External revenues:							
- Gross rental income	16,884	5,216	1,431	2,340	1,617	1,133	28,621
- Others	1,378	779	277	281	–	–	2,715
Gross revenue	18,262	5,995	1,708	2,621	1,617	1,133	31,336
Segment net property income	11,867	2,694	46	753	1,493	1,033	17,886
Finance income	36	644	540	284	337	104	1,945
Finance costs	(741)	(307)	(385)	(177)	(144)	–	(1,754)
Reportable segment total return before taxation	11,383	3,154	258	985	1,704	1,103	18,587
Segment assets*	516,800	179,600	155,281	123,578	76,492	41,225	1,092,976
Segment liabilities*	(271,302)	(164,071)	(148,810)	(96,402)	(69,723)	(33,487)	(783,795)
Other segment items:							
Depreciation	(11)	(12)	(5)	(8)	–	–	(36)
Capital expenditure	(1,513)	(782)	(34)	(1,194)	–	–	(3,523)

**Balance as at 31 December 2024 being disclosed for the purpose of reconciliations of reportable segment assets and liabilities.*

Reconciliations of reportable segment revenue, total return, assets and liabilities and other material items

	Six-month period ended 30/6/2025 S\$'000	Six-month period ended 30/6/2024 S\$'000
Revenue		
Total revenue for reporting segments	28,089	31,336
Total return		
Total return for reportable segments before taxation	11,570	18,587
Unallocated amounts:		
- Other corporate expenses	(4,817)	(10,815)
Elimination of intercompany transaction	(99)	10
Total return before taxation	6,654	7,782

	Reportable segment totals S\$'000	Other unallocated amounts S\$'000	Elimination of intercompany balances S\$'000	Consolidated totals S\$'000
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**Other material items
30 June 2025**

Finance income	1,348	1	(1,328)	21
Finance costs	(1,511)	(7,912)	1,283	(8,140)

**Other material items
30 June 2024**

Finance income	1,945	1	(1,898)	48
Finance costs	(1,754)	(10,124)	1,902	(9,976)

	Group 30/6/2025 S\$'000	31/12/2024 S\$'000
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Assets

Total assets for reportable segments	1,037,895	1,092,976
Other unallocated amounts	590,987	591,840
Elimination of intercompany balances	(757,867)	(758,183)
Consolidated assets	871,015	926,633

Liabilities

Total liabilities for reportable segments	772,461	783,795
Other unallocated amounts	353,389	353,391
Elimination of intercompany balances	(750,273)	(750,942)
Consolidated liabilities	375,577	386,244

Geographical segments

All of the Group's investment properties are used for retail purposes and are located in China.

Consolidated Statements of Total Return and Distribution Statement

	Six-month period ended 30/6/2025 (S\$'000)	Six-month period ended 30/6/2024 (S\$'000)	Change (%)
<u>Distribution Statement</u>			
Total return for the period attributable to Unitholders	728	1,011	(28.0)
Distribution adjustments (Note A)	548	428	28.0
Income for the period available for distribution to Unitholders	1,276	1,439	(11.3)
Less: Amount retained	(128)	(144)	(11.1)
Income for the period to be distributed to Unitholders	1,148	1,295	(11.4)

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Note A - Distribution adjustment items:

- Amortisation of debt establishment costs
- Deferred taxation ^(a)
- Transfer to statutory reserve
- Other adjustments ^(a)

Net effect of distribution adjustments

Six-month period ended 30/6/2025 (S\$'000)	Six-month period ended 30/6/2024 (S\$'000)	Change (%)
1,079	1,218	(11.4)
(173)	(49)	>100.0
(415)	(589)	(29.5)
57	(152)	>100.0
548	428	28.0

^(a) Excludes share attributable to non-controlling interests

Footnotes:

- (1) Decrease in net property income mainly due to weakening of RMB against SGD, lower occupancy rates and rental support provided to Dalian and Xining.
- (2) Other income mainly comprised fine and penalties from tenants and miscellaneous income.
- (3) Manager's base management fee is calculated as 10.0% per annum of the Distributable Income of the Group. Manager's performance fee is calculated as 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.
- (4) Movement in realised foreign exchange mainly due to gain arose from the repayment of RMB denominated loans principal during the period.
- (5) Decrease in finance costs mainly due to lower interest rate and repayment of loan principal.
- (6) Decrease in income tax expenses mainly due to the lower corporate income tax paid and payable by the malls associated with lower taxable profit as compared to the last financial period.

Statements of Financial Position

	Group		REIT	
	30/6/2025	31/12/2024	30/6/2025	31/12/2024
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Non-current assets				
Investment properties ⁽¹⁾	839,804	885,349	-	-
Plant and equipment	1,035	1,122	-	-
Interest in subsidiaries	-	-	584,340	584,661
Deferred tax assets	181	204	-	-
	841,020	886,675	584,340	584,661
Current assets				
Trade and other receivables ⁽²⁾	13,430	10,753	2,393	2,008
Cash and cash equivalents ⁽³⁾	16,565	29,042	4,254	5,011
Derivative assets ⁽⁴⁾	-	163	-	163
	29,995	39,958	6,647	7,182
Total assets	871,015	926,633	590,987	591,843
Non-current liabilities				
Loans and borrowings ⁽⁵⁾	283,396	7,700	244,410	7,700
Trade and other payables ⁽⁶⁾	2,059	1,678	38,945	41,057
Security deposits	4,281	5,282	-	-
Lease liability	542	564	-	-
Deferred tax liabilities	32,996	34,913	-	-
Derivative liabilities ⁽⁴⁾	1,773	-	1,773	-
	325,047	50,137	285,128	48,757
Current liabilities				
Loans and borrowings ⁽⁵⁾	8,148	292,033	5,200	246,060
Trade and other payables ⁽⁶⁾	27,946	28,940	63,062	58,477
Security deposits	12,033	12,475	-	-
Current tax liabilities	2,334	2,494	-	-
Lease liability	69	67	-	-
Derivative liabilities ⁽⁴⁾	-	98	-	98
	50,530	336,107	68,262	304,635
Total liabilities	375,577	386,244	353,390	353,392
Net assets	495,438	540,389	237,597	238,451
Represented by:				
Unitholders' funds	338,773	374,027	237,597	238,451
Non-controlling interests	156,665	166,362	-	-
	495,438	540,389	237,597	238,451
Units in issue ('000)	519,603	519,603	519,603	519,603

Footnotes:

- (1) The carrying amount of investment properties has decreased due mainly to the weakening of RMB against SGD as compared to last financial year. The manager believes that the carrying amount of the investment properties reflects their respective valuation as at 30 June 2025.
- (2) Increase in trade and other receivables is mainly due to higher outstanding rents from tenants as compared to last financial year.
- (3) Included in the cash and cash equivalents are amounts of S\$5.6 million (2024: S\$5.7 million) and S\$4.2 million (2024: S\$4.2 million) of restricted cash for the Group and the REIT respectively.
- (4) These relate to the fair value of the interest rate swaps entered into by the Group and the REIT, which are designated to hedge the variable rate borrowings.
- (5) Loans and borrowings are measured at amortised cost. The Group and the REIT have rolled over the offshore secured borrowing facilities of S\$252.0 million and continue to have in place the onshore secured borrowing facilities of RMB297.0 million. The facilities will mature in March 2028. Movement in the current liabilities and non-current liabilities are classified and/or reclassified in accordance with respective maturity dates.
- (6) Increase in the REIT's trade and other payables was mainly due to accrual of loan roll-over fees during the period.

Consolidated Statement of Cash Flows

	Six-month period ended 30/6/2025 (S\$'000)	Six-month period ended 30/6/2024 (S\$'000)
Cash flows from operating activities		
Total return for the period before taxation	6,654	7,782
Adjustments for:		
Finance income	(21)	(48)
Finance cost	8,140	9,976
Depreciation of plant and equipment	68	36
Foreign exchange loss/(gain) - unrealised	56	(34)
Impairment loss written back on trade and other receivables	(6)	-
Operating income before working capital changes	14,891	17,712
Changes in:		
Trade and other receivables ⁽¹⁾	(2,353)	(8,331)
Trade and other payables	518	(2,131)
Security deposit	(1,443)	1,525
Cash generated from operating activities	11,613	8,775
Tax paid	(2,877)	(2,431)
Net cash generated from operating activities	8,736	6,344
Cash flows from investing activities		
Capital expenditure on investment properties	(213)	(3,517)
Purchase of plant and equipment	(4)	(6)
Interest received	21	48
Net cash used in investing activities	(196)	(3,475)
Cash flows from financing activities		
Distribution to Unitholders	(1,299)	(416)
Dividend paid to non-controlling interests	(4,336)	(4,108)
Increase in restricted cash	-	(731)
Proceeds from borrowings	-	2,416
Repayment of borrowings	(1,261)	(3,715)
Net settlement of derivative contracts	(41)	433
Payment of transaction costs related to loans and borrowings	(5,691)	(19)
Interest paid	(7,400)	(8,737)
Net cash used in financing activities	(20,028)	(14,877)
Decrease in cash and cash equivalents	(11,488)	(12,008)
Cash and cash equivalents at beginning of the period	23,341	37,941
Effect of foreign exchange rate changes on cash balances	(910)	152
Cash and cash equivalents at end of the period⁽²⁾	10,943	26,085

Footnotes:

- (1) Decrease of changes in trade and other receivables was mainly due to higher outstanding rents as compared to the last financial period.
- (2) For the purpose of the Consolidated Statement of Cash Flows, the cash and cash equivalents comprised the following:

	Group	
	Six-month period ended 30/6/2025 S\$'000	Six-month period ended 30/6/2024 S\$'000
Bank and cash balances	16,565	31,781
Less: Restricted cash	(5,622)	(5,696)
Cash and cash equivalents of cash flows statement	10,943	26,085

Restricted cash relates to cash balances which are used to secure bank borrowings.

2. **Review of the performance of the Group**

Gross revenue in 1H 2025 was S\$28.1 million, which was S\$3.2 million or 10.4% lower than in 1H 2024 (S\$31.3 million). Gross revenue declined mainly due to weakening of RMB against SGD, lower occupancy rates and rental support provided to Dalian and Xining. As such, the net property income in 1H 2025 was S\$15.0 million, which was S\$2.9 million or 16.1% lower than in 1H 2024 (S\$17.9 million). The portfolio occupancy rate was 95.1% as at 30 June 2025, lower than 96.8% as at 30 June 2024.

Finance costs in 1H 2025 was S\$8.1 million, which was S\$1.9 million or 18.4% lower than 1H 2024 (S\$10.0 million). This was mainly due to the lower interest rate and repayment of loan principal.

Amount to be distributed to Unitholders in 1H 2025 was S\$1.1 million, which was S\$0.2 million or 11.4% lower than in 1H 2024 (S\$1.3 million). Approximately S\$0.1 million (1H 2024: S\$0.1 million) of the income available for distribution for 1H 2025 had been retained for the purpose of operating expenses and working capital requirements of the Group and the REIT.

3. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by our auditors.

4. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

5. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

6. Variance from the previous forecast or prospect statement

The Group has not disclosed any forecast to the market.

7. Commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

China's 1H 2025 gross domestic product¹ ("GDP") grew 5.3% year-on-year to RMB 66.05 trillion¹. Disposable income per capita of urban residents grew 4.7% year-on-year in 1H 2025.

Retail sales of consumer goods increased 5% year-on-year², bolstered by government-led trade-in subsidy programs worth RMB 81 billion, aimed at stimulating consumption across key categories like appliances, autos, and electronics.

The International Monetary Fund (IMF) projected China's GDP annual growth at 4.0% for 2025². In January 2025, IMF revised its forecast upwards to 4.6%³, an increase from its previous estimate of 4.5%, reflecting the boost from recent stimulus measures implemented since late 2024.

Consumer confidence showed signs of gradual recovery, with the Consumer Confidence Index inching up to 88 in May 2025, from 87.8 in April 2025⁴.

Footnotes:

- 1. Source: National Bureau of Statistics of China
- 2. Reuters (15 July 2025): China's economy slows as consumers tighten belts, US tariff risks mount
- 3. IMF (Jan 2025): World Economic Outlook Update – Global Growth: Divergent and Uncertain
- 4. WSJ (14 July 2025): China Says Its Economy Held Up Under Trump Tariff Attack

8. Distribution

(a) Current financial period

Any distribution declared for the current financial period? Yes

Distribution period : 1 January 2025 to 30 June 2025

Distribution rate : 0.22 cents per unit

Distribution type : Capital distribution

Tax rate : Capital distribution represents a return of capital to Unitholders for Singapore income tax purpose and is therefore not subject to income tax. For Unitholders who hold the Units as trading assets, the amount of capital gain distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

Remark : The capital distribution from 1 January 2025 to 30 June 2025 is expected to be funded from debt and/or internal cash flow from operations.

(b) Corresponding period of the immediately preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial periods? Yes

Distribution period : 1 January 2024 to 30 June 2024

Distribution rate : 0.25 cents per unit

Distribution type : Capital distribution

(c) Date payable : 26 September 2025

(d) Book closure date : 20 August 2025

9. If no distribution has been declared/recommended, a statement to that effect.

Not applicable.

10. Interested person transactions

If the Group has obtained a general mandate from Unitholders for interested person transactions (“IPT”), the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from Unitholders for IPT.

11. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual.

12. Confirmation pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial results of the Group and the REIT (comprising the statement of financial position as at 30 June 2025, statement of total return and distribution statement, statement of cash flow and statement of movements in Unitholders' funds for the six-month period ended on that date), together with their accompanying notes, to be false or misleading, in any material respect.

On behalf of the Board of the Manager

Gan Chee Yen
Chairman

George Quek Meng Tong
Director

This release 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 as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental, public policy changes, and the continued availability of financing. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

The value of units in the REIT ("Units") and the income derived from them, if any, may fall or 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 the Group is not necessarily indicative of the future performance of the Group.

Investors should note that they have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

By Order of the Board

Cho Form Po
Company Secretary

BHG Retail Trust Management Pte. Ltd.
(Company registration no. 201504222D)
(as Manager of BHG Retail REIT)

7 August 2025