

BHG Retail REIT and its Subsidiaries

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

Unaudited Financial Information
For second half and full year ended 31 December 2024

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Statements of Financial Position
As at 31 December 2024

	Note	Group		REIT	
		31/12/2024	31/12/2023	31/12/2024	31/12/2023
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Investment properties	3	885,349	878,152	–	–
Plant and equipment		1,122	476	–	–
Interests in subsidiaries		–	–	584,661	583,896
Deferred tax assets		204	46	–	–
Derivative assets	4	–	754	–	754
		<u>886,675</u>	<u>879,428</u>	<u>584,661</u>	<u>584,650</u>
Current assets					
Trade and other receivables		10,753	4,557	2,008	368
Cash and cash equivalents	5	29,042	42,898	5,011	3,601
Derivative assets	4	163	–	163	–
		<u>39,958</u>	<u>47,455</u>	<u>7,182</u>	<u>3,969</u>
Total assets		<u>926,633</u>	<u>926,883</u>	<u>591,843</u>	<u>588,619</u>
Non-current liabilities					
Loans and borrowings	6	7,700	7,700	7,700	7,700
Trade and other payables		1,678	1,667	41,057	33,468
Security deposits		5,282	5,862	–	–
Lease liability		564	–	–	–
Deferred tax liabilities		34,913	35,470	–	–
Derivative liabilities	4	–	277	–	277
		<u>50,137</u>	<u>50,976</u>	<u>48,757</u>	<u>41,445</u>
Current liabilities					
Loans and borrowings	6	292,033	291,615	246,060	246,241
Trade and other payables		28,940	25,855	58,477	47,787
Security deposits		12,475	10,929	–	–
Current tax liabilities		2,494	2,094	–	–
Lease liability		67	–	–	–
Derivative liabilities	4	98	–	98	–
		<u>336,107</u>	<u>330,493</u>	<u>304,635</u>	<u>294,028</u>
Total liabilities		<u>386,244</u>	<u>381,469</u>	<u>353,392</u>	<u>335,473</u>
Net assets		<u>540,389</u>	<u>545,414</u>	<u>238,451</u>	<u>253,146</u>
Represented by:					
Unitholders' funds		374,027	376,198	238,451	253,146
Non-controlling interests		166,362	169,216	–	–
		<u>540,389</u>	<u>545,414</u>	<u>238,451</u>	<u>253,146</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
For second half and full year ended 31 December 2024

	Note	Group			
		2H 2024 S\$'000	2H 2023 S\$'000	FY 2024 S\$'000	FY 2023 S\$'000
Gross Revenue		29,621	30,914	60,957	61,976
Property operating expenses		(14,664)	(13,809)	(28,114)	(27,014)
Net property income		14,957	17,105	32,843	34,962
Other income		566	(176)	924	1,104
Manager's base fee		(170)	(54)	(330)	(277)
Manager's performance fee		(135)	–	(135)	–
Trustee's fees		(73)	(74)	(145)	(148)
Other expenses		(699)	(481)	(1,035)	(939)
Finance income	9	43	93	91	122
Foreign exchange gain/(loss) – realised		1,403	(214)	1,403	(140)
Finance cost	9	(9,328)	(9,991)	(19,304)	(20,034)
Total return for the period/year before changes in fair value of investment properties and unrealised foreign exchange gain		6,564	6,208	14,312	14,650
Changes in fair value of investment properties		(4,798)	(5,502)	(4,798)	(5,502)
Foreign exchange gain – unrealised		28	124	62	22
Total return for the period/year before taxation		1,794	830	9,576	9,170
Taxation	10	(1,551)	(2,024)	(4,597)	(5,335)
Total return/(loss) for the period/year after taxation		243	(1,194)	4,979	3,835
Attributable to:					
Unitholders		(3,294)	(5,311)	(2,283)	(3,792)
Non-controlling interests		3,537	4,117	7,262	7,627
Total return/(loss) for the period/year after taxation		243	(1,194)	4,979	3,835
Earnings per Unit (cents)	11				
- Basic		(0.63)	(1.03)	(0.44)	(0.74)
- Diluted		(0.63)	(1.02)	(0.44)	(0.73)

Distribution Statement
For second half and full year ended 31 December 2024

	Group			
	2H 2024	2H 2023	FY 2024	FY 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Amount available for distribution to Unitholders at beginning of the period/year	1,396	1,917	517	2,245
Total loss for the period/year attributable to Unitholders	(3,294)	(5,311)	(2,283)	(3,792)
Distribution adjustments (Note A)	4,716	5,769	5,144	6,242
Income for the period/year available for distribution to Unitholders	1,422	458	2,861	2,450
Amount retained ⁽¹⁾	(142)	(46)	(286)	(245)
Income for the period/year to be distributed to Unitholders	1,280	412	2,575	2,205
Distribution to Unitholders during the period/year:				
- Distribution of 0.41 cents per Unit for period from 1 July 2022 to 31 December 2022	-	-	-	(2,121)
- Distribution of 0.35 cents per Unit for period from 1 January 2023 to 30 June 2023	-	(1,812)	-	(1,812)
- 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 January 2024 to 30 June 2024	(1,299)	-	(1,299)	-
	(1,299)	(1,812)	(1,715)	(3,933)
Amount available for distribution to Unitholders at end of the period/year	1,377	517	1,377	517
Distribution per unit (cents) ⁽²⁾	0.25	0.08	0.50	0.43

⁽¹⁾ For the year ended 31 December 2024, approximately S\$0.3 million (2023: S\$0.2 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/year.

The distribution relating to 1 July 2024 to 31 December 2024 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)
For second half and full year ended 31 December 2024

Note A – Distribution adjustments

	Group			
	2H 2024	2H 2023	FY 2024	FY 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Distribution adjustment items:				
- Amortisation of debt establishment costs	1,232	1,204	2,450	2,392
- Changes in fair value of investment properties ⁽¹⁾	4,823	6,196	4,823	6,196
- Deferred taxation ⁽¹⁾	(955)	(866)	(1,004)	(879)
- Transfer to statutory reserve	(355)	(522)	(944)	(1,207)
- Other adjustments ⁽¹⁾	(29)	(243)	(181)	(260)
Net effect of distribution adjustments	4,716	5,769	5,144	6,242

⁽¹⁾ Excludes share attributable to non-controlling interests

Consolidated Statement of Movements in Unitholders' Funds
For second half and full year ended 31 December 2024

	Group			
	2H 2024	2H 2023	FY 2024	FY 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Unitholders' funds as at beginning of the period/year	375,227	384,236	376,198	411,087
Operations				
Total loss for the period/year after taxation attributable to Unitholders	(3,294)	(5,311)	(2,283)	(3,792)
Transfer to statutory reserve	(355)	(522)	(944)	(1,207)
Net decrease in net assets resulting from operations	(3,649)	(5,833)	(3,227)	(4,999)
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(607)	(1,174)	(412)	(897)
Foreign currency translation reserve				
Translation differences from financial statements of foreign operations	4,000	(731)	2,239	(27,257)
Statutory reserve				
Transfer from operations	355	522	944	1,207
Unitholders' transactions				
Units issued in respect of the distribution reinvestment plan	–	990	–	990
Distributions to Unitholders	(1,299)	(1,812)	(1,715)	(3,933)
	(1,299)	(822)	(1,715)	(2,943)
Unitholders' funds as at end of the period/year	374,027	376,198	374,027	376,198

Statement of Movements in Unitholders' Funds
For second half and full year ended 31 December 2024

	REIT			
	2H 2024	2H 2023	FY 2024	FY 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Unitholders' funds as at beginning of the period/year	247,908	258,370	253,146	264,322
Operations				
Total loss for the period/year after taxation attributable to Unitholders	(7,551)	(3,228)	(12,568)	(7,336)
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(607)	(1,174)	(412)	(897)
Unitholders' transactions				
Units issued in respect of the distribution reinvestment plan	–	990	–	990
Distributions to Unitholders	(1,299)	(1,812)	(1,715)	(3,933)
	(1,299)	(822)	(1,715)	(2,943)
Unitholders' funds as at end of the period/year	238,451	253,146	238,451	253,146

Portfolio Statement
As at 31 December 2024

Group	Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Lease expiry	Valuation as at		Valuation as at		Percentage of Unitholders' funds	
						31/12/2024 RMB'000	31/12/2023 RMB'000	31/12/2024 S\$'000	31/12/2023 S\$'000	31/12/2024 %	31/12/2023 %
	Beijing Wanliu	No.2 Bagou Road, Haidian District, Beijing	30	20 ⁽¹⁾	2044	2,557,000	2,551,000	478,714	474,310	127	126
	Chengdu Konggang	No. 166 Jinhua Road second section, Shuangliu County, Chengdu	32	22 ⁽²⁾	2047	674,000	674,000	126,184	125,317	34	33
	Hefei Mengchenglu	No.99 Mengcheng Road, Luyang District, Hefei	30	20	2044	595,000	587,000	111,394	109,141	30	29
	Hefei Changjiangxilu	No. 639 Changjiangxilu Road, Shushan District, Hefei	30	18	2043	485,000	483,000	90,800	89,805	24	24
	Xining Huayuan	Nos.16-19 Shipo street, Chengzhong District, Xining	34	24	2048	259,000	266,000	48,489	49,458	13	13
	Dalian Jinsanjiao	No.18 Huadong Road, Ganjingzi District, Dalian	33	17	2042	159,000	162,000	29,768	30,121	8	8
	Investment properties, at valuation							885,349	878,152	236	233
	Other assets and liabilities (net)							(344,960)	(332,738)	(92)	(88)
	Net assets							540,389	545,414	144	145
	Net assets attributable to non-controlling interests							(166,362)	(169,216)	(44)	(45)
	Net assets attributable to Unitholders							374,027	376,198	100	100

⁽¹⁾ 30 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
For second half and full year ended 31 December 2024

	Note	Group			
		2H 2024 S\$'000	2H 2023 S\$'000	FY 2024 S\$'000	FY 2023 S\$'000
Cash flows from operating activities					
Total return for the period/year before taxation		1,794	830	9,576	9,170
Adjustments for:					
Finance income		(43)	(93)	(91)	(122)
Finance costs		9,328	9,991	19,304	20,034
Loss on disposal of plant and equipment		35	44	35	44
Depreciation of plant and equipment		57	40	93	80
Changes in fair value of investment properties		4,798	5,502	4,798	5,502
Foreign exchange gain – unrealised		(28)	(124)	(62)	(22)
Impairment loss/ (Impairment loss) written back on trade and other receivables		157	(43)	164	(31)
Operating income before working capital changes		16,098	16,147	33,817	34,655
Changes in:					
Trade and other receivables		1,107	7,135	(7,231)	4,059
Trade and other payables		2,387	525	256	3,712
Security deposits		(559)	(390)	966	(1,374)
Cash generated from operating activities		19,033	23,417	27,808	41,052
Tax paid		(2,780)	(3,013)	(5,211)	(6,912)
Net cash generated from operating activities		16,253	20,404	22,597	34,140
Cash flows from investing activities					
Capital expenditure on investment properties	3	(1,298)	(8,817)	(4,815)	(9,872)
Purchase of plant and equipment		(34)	(2)	(40)	(89)
Interest received		43	93	91	122
Net cash used in investing activities		(1,289)	(8,726)	(4,764)	(9,839)

Consolidated Statement of Cash Flows (cont'd)
For second half and full year ended 31 December 2024

	Note	2H 2024 S\$'000	2H 2023 S\$'000	Group FY 2024 S\$'000	FY 2023 S\$'000
Cash flows from financing activities					
Distribution to Unitholders	(i)	(1,299)	(822)	(1,715)	(2,943)
Dividend paid to non-controlling interests		–	–	(4,108)	(4,096)
Surplus capital returned to non-controlling interests		(7,105)	–	(7,105)	–
Increase in restricted cash		–	(20)	(731)	(1,416)
Proceeds from borrowings		2,265	5,749	4,681	13,905
Repayment of borrowings		(3,275)	(3,217)	(6,990)	(6,875)
Interest paid		(8,580)	(8,606)	(17,317)	(16,815)
Net settlement of derivative contracts		383	423	816	623
Payment of transaction costs related to loans and borrowings		–	–	(19)	(19)
Payment of lease liability		(92)	–	(92)	–
Net cash used in financing activities		(17,703)	(6,493)	(32,580)	(17,636)
(Decrease)/increase in cash and cash equivalents					
		(2,739)	5,185	(14,747)	6,665
Cash and cash equivalents as at beginning of the period/year		26,083	32,936	37,939	32,833
Effect of foreign exchange rate changes on cash balances		(3)	(182)	149	(1,559)
Cash and cash equivalents at end of the period/year	5	23,341	37,939	23,341	37,939

Notes:

Significant non-cash transactions

- (i) There is no distribution reinvestment plan during the year. For the financial year ended 31 December 2023, the REIT issued 2,118,000 new Units at an issue price of S\$0.4677 per Unit as payment of distribution under the distribution reinvestment plan for the period from 1 January 2023 to 30 June 2023.

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 2023. 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 2023.

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 2023. A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2024 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	
	31/12/2024	31/12/2023
	S\$'000	S\$'000
At beginning of the year	878,152	912,241
Additions during the year	4,815	9,872
	882,967	922,113
Changes in fair value	(4,798)	(5,502)
Translation differences	7,180	(38,459)
At end of the year	885,349	878,152

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

Investment properties are stated at fair value based on valuation as at 31 December 2024 performed by independent professional valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. In determining the fair value, the valuers have used valuation methods which involve certain estimates. The Manager reviews the key valuation parameters and underlying data including revenue growth rates, term yield and reversionary rates, discount rates and terminal capitalisation rates adopted by the valuers and is of the view that the valuation methods and estimates are reflective of the current market conditions.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion.

The valuers have considered valuation techniques including the discounted cash flow method, and capitalisation approach. 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.

Level 3 fair values

The following table shows the significant unobservable inputs used in the valuation models:

Valuation methods	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows approach	Discount rates from 7.0% to 8.0% (2023: 7.0% to 8.0%) per annum	The fair value increases as discount rate decreases.
	Revenue growth rates 3.0% to 9.0% (2023: 3.0% to 10.0%)	The fair value increases as revenue growth rate increases.
	Terminal capitalisation rates 4.0% to 5.0% (2023: 4.0% to 5.0%)	The fair value increases as terminal capitalisation rates decreases.
Income capitalisation approach	Term yield from 5.2% to 6.6% (2023: 5.2% to 6.6%)	The fair value increases as term yield decrease.
	Reversionary rates from 5.7% to 7.1% (2023: 5.7% to 7.1%)	The fair value increases as reversionary rate decrease.

Security

The investment properties are pledged as security to secure credit facilities (Note 6).

4. Financial derivatives

	Group and REIT	
	31/12/2024	31/12/2023
	S\$'000	S\$'000
Derivative assets		
Interest rate swaps used for hedging	163	754
	<u>163</u>	<u>–</u>
Current		
Non-current	–	754
	<u>–</u>	<u>754</u>
Derivative liabilities		
Interest rate swaps used for hedging	98	277
	<u>98</u>	<u>–</u>
Current		
Non-current	–	277
	<u>–</u>	<u>277</u>

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\$123.0 million (2023: S\$124.0 million) and S\$123.0 million (2023: S\$124.0 million) are entered respectively, to provide fixed rate funding for average terms of 3 years (2023: 3 years) at an average interest rate of 3.01% (2023: 3.00%) per annum. These interest rate swaps are designated as hedging instruments in cash flow hedges. The fair value of financial derivatives represented 0.01% (2023: 0.09%) of the net assets of the Group as at 31 December 2024.

5. Cash and cash equivalents

	Group		REIT	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at banks and in hand	29,042	42,898	5,011	3,601
Restricted cash	(5,701)	(4,959)	(4,166)	(3,435)
Cash and cash equivalents in statement of cash flow	<u>23,341</u>	<u>37,939</u>	<u>845</u>	<u>166</u>

6. Loans and borrowings

	Group		REIT	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	S\$'000	S\$'000	S\$'000	S\$'000
Unsecured loan	7,700	7,700	7,700	7,700
Secured loans	292,642	294,656	246,647	249,147
Less: Unamortised transaction costs	(609)	(3,041)	(587)	(2,906)
	<u>299,733</u>	<u>299,315</u>	<u>253,760</u>	<u>253,941</u>
Current	292,033	291,615	246,060	246,241
Non-current	7,700	7,700	7,700	7,700
	<u>299,733</u>	<u>299,315</u>	<u>253,760</u>	<u>253,941</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 31 December 2024, 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. For the year ended 31 December 2024, the Group had repaid RMB 13.4 million (2023: RMB 12.5 million) of the onshore facilities, in accordance with the facility agreements.

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 (2023: 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 (2023: five) Singapore holding companies' 100% equity interest in the respective subsidiaries in China.

In addition to the above facilities, the REIT has obtained and drawn down from other secured bank facility an amount totalling S\$2.0 million (2023: S\$2.0 million) and from unsecured facilities an amount totalling Nil (2023: S\$7.7 million).

The REIT had repaid S\$4.5 million (2023: S\$4.5 million) offshore facilities during the year.

7. Units in issue

	Group and REIT	
	31/12/2024	31/12/2023
	Number of Units '000	Number of Units '000
Issue of new Units relating to:		
- as at beginning of the year	519,603	517,485
- units issued in respect of the distribution reinvestment plan	–	2,118
Total Units in issue at the end of year	519,603	519,603

8. Net asset value per Unit

	Group		REIT	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	S\$'000	S\$'000	S\$'000	S\$'000
Net asset value per Unit is based on:				
Net assets attributable to Unitholders	374,027	376,198	238,451	253,146
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\$)	0.72	0.72	0.46	0.49

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			
	2H 2024	2H 2023	FY 2024	FY 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Finance income:				
- financial institutions	43	93	91	122
Finance costs:				
- amortisation of borrowing costs	(1,232)	(1,204)	(2,450)	(2,392)
- interest expenses on loans and borrowings	(8,088)	(8,787)	(16,846)	(17,642)
- interest expenses on lease liability	(8)	–	(8)	–
	(9,328)	(9,991)	(19,304)	(20,034)
Net finance costs recognised in statement of total return	(9,285)	(9,898)	(19,213)	(19,912)

10. Taxation

	Group			
	2H 2024	2H 2023	FY 2024	FY 2023
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Current taxation</i>				
Current year	2,351	2,553	5,138	5,499
Withholding tax	149	164	457	542
	<u>2,500</u>	<u>2,717</u>	<u>5,595</u>	<u>6,041</u>
<i>Deferred taxation</i>				
Reversal of temporary differences	(949)	(693)	(998)	(706)
Income tax expense	<u>1,551</u>	<u>2,024</u>	<u>4,597</u>	<u>5,335</u>

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/year after taxation and non-controlling interests.

	Group			
	2H 2024	2H 2023	FY 2024	FY 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Total loss for the period/year after taxation and non-controlling interests	(3,294)	(5,311)	(2,283)	(3,792)
	<u>(3,294)</u>	<u>(5,311)</u>	<u>(2,283)</u>	<u>(3,792)</u>
	Number of Units '000	Number of Units '000	Number of Units '000	Number of Units '000
Issued Units				
As at beginning of the period/year	519,603	517,485	519,603	517,485
- Effect of Distribution				
Reinvestment plan paid in Units	-	1,093	-	551
Weighted average number of issued and issuable Units at end of the period/year	<u>519,603</u>	<u>518,578</u>	<u>519,603</u>	<u>518,036</u>
Basic earnings per Unit (cents)	<u>(0.63)</u>	<u>(1.03)</u>	<u>(0.44)</u>	<u>(0.74)</u>

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			
	2H 2024	2H 2023	FY 2024	FY 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Total loss for the period/year after taxation and non–controlling interests	(3,294)	(5,311)	(2,283)	(3,792)
	Number of	Number of	Number of	Number of
	Units	Units	Units	Units
	'000	'000	'000	'000
Issued Units				
As at beginning of the period/year	519,603	517,485	519,603	517,485
- Distribution Reinvestment plan paid in Units	–	2,118	–	2,118
Weighted average number of issued and issuable Units at end of the period/year	519,603	519,603	519,603	519,603
Diluted earnings per Unit (cents)	(0.63)	(1.02)	(0.44)	(0.73)

12. Financial ratios

	Group	
	31/12/2024	31/12/2023
Gearing Ratio (%) ⁽¹⁾	39.6	39.9
Interest Coverage Ratio (times) ⁽²⁾	1.7	1.8
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⁾	5.5	5.2
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 year (2024: S\$29,582,000 and 2023: S\$28,380,000) and as a percentage of net asset value as at the financial year 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 2024 and 2023.

13. Seasonal operations

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

14. Operating segments

The Group has 6 (2023: 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
FY 2024							
External revenues:							
- Gross rental income	33,644	10,339	2,860	4,579	2,412	1,502	55,336
- Others	2,981	1,534	583	523	–	–	5,621
Gross revenue	<u>36,625</u>	<u>11,873</u>	<u>3,443</u>	<u>5,102</u>	<u>2,412</u>	<u>1,502</u>	<u>60,957</u>
Segment net property income	<u>22,924</u>	<u>4,984</u>	<u>90</u>	<u>1,371</u>	<u>2,165</u>	<u>1,309</u>	<u>32,843</u>
Finance income	<u>71</u>	<u>1,534</u>	<u>983</u>	<u>275</u>	<u>665</u>	<u>279</u>	<u>3,807</u>
Finance costs	<u>(1,424)</u>	<u>(859)</u>	<u>(723)</u>	<u>(358)</u>	<u>(287)</u>	<u>–</u>	<u>(3,651)</u>
Reportable segment total return before taxation	<u>22,396</u>	<u>3,830</u>	<u>1,866</u>	<u>64</u>	<u>1,426</u>	<u>997</u>	<u>30,579</u>
Segment assets	<u>516,800</u>	<u>179,600</u>	<u>155,281</u>	<u>123,578</u>	<u>76,492</u>	<u>41,225</u>	<u>1,092,976</u>
Segment liabilities	<u>(271,302)</u>	<u>(164,071)</u>	<u>(148,810)</u>	<u>(96,402)</u>	<u>(69,723)</u>	<u>(33,487)</u>	<u>(783,795)</u>
Other segment items:							
Depreciation	(22)	(50)	(8)	(13)	–	–	(93)
Net change in fair value of investment properties	(63)	2,023	(1,246)	2,212	1,310	562	4,798
Capital expenditure	<u>(1,812)</u>	<u>(2,012)</u>	<u>(249)</u>	<u>(782)</u>	<u>–</u>	<u>–</u>	<u>(4,855)</u>

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
FY 2023							
External revenues:							
- Gross rental income	32,968	10,179	2,791	4,974	3,251	2,281	56,444
- Others	3,003	1,302	590	637	–	–	5,532
Gross revenue	35,971	11,481	3,381	5,611	3,251	2,281	61,976
Segment net property income	22,680	5,160	229	1,815	2,996	2,082	34,962
Finance income	81	1,016	1,000	528	652	217	3,494
Finance costs	(1,644)	(668)	(810)	(255)	(261)	–	(3,638)
Reportable segment total return/(loss) before taxation	23,301	2,283	(797)	(519)	1,437	1,706	27,411
Segment assets	513,601	171,823	143,648	109,117	68,258	39,896	1,046,343
Segment liabilities	(271,678)	(159,167)	(139,330)	(82,316)	(62,950)	(32,349)	(747,790)
Other segment items:							
Depreciation	(23)	(21)	(12)	(24)	–	–	(80)
Net change in fair value of investment properties	(1,736)	2,151	406	2,636	1,487	558	5,502
Capital expenditure	(1,186)	(3,552)	(417)	(4,806)	–	–	(9,961)

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
2H 2024							
External revenues:							
- Gross rental income	16,760	5,123	1,429	2,239	795	369	26,715
- Others	1,603	755	306	242	–	–	2,906
Gross revenue	18,363	5,878	1,735	2,481	795	369	29,621
Segment net property income	11,057	2,290	44	618	672	276	14,957
Finance income	35	890	443	(9)	328	175	1,862
Finance costs	(683)	(552)	(338)	(181)	(143)	–	(1,897)
Reportable segment total return/(loss) before taxation	11,013	676	1,608	(921)	(278)	(106)	11,992
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)	(38)	(3)	(5)	–	–	(57)
Net change in fair value of investment properties	(63)	2,023	(1,246)	2,212	1,310	562	4,798
Capital expenditure	(299)	(1,230)	(215)	412	–	–	(1,332)

Information about reportable segments (cont'd)

	Beijing Wanliu SS'000	Chengdu Konggang SS'000	Hefei Mengchenglu SS'000	Hefei Changjiangxilu SS'000	Xining Huayuan SS'000	Dalian Jinsanjiao SS'000	Total SS'000
2H 2023							
External revenues:							
- Gross rental income	16,887	4,943	1,415	2,124	1,597	1,122	28,088
- Others	1,698	506	313	309	–	–	2,826
Gross revenue	<u>18,585</u>	<u>5,449</u>	<u>1,728</u>	<u>2,433</u>	<u>1,597</u>	<u>1,122</u>	<u>30,914</u>
Segment net property income	<u>11,650</u>	<u>2,224</u>	<u>152</u>	<u>584</u>	<u>1,470</u>	<u>1,025</u>	<u>17,105</u>
Finance income	<u>54</u>	<u>634</u>	<u>561</u>	<u>297</u>	<u>343</u>	<u>107</u>	<u>1,996</u>
Finance costs	<u>(798)</u>	<u>(334)</u>	<u>(403)</u>	<u>(130)</u>	<u>(138)</u>	<u>–</u>	<u>(1,803)</u>
Reportable segment total return/(loss) before taxation	<u>12,608</u>	<u>288</u>	<u>(243)</u>	<u>(2,127)</u>	<u>134</u>	<u>554</u>	<u>11,214</u>
Segment assets	<u>513,601</u>	<u>171,823</u>	<u>143,648</u>	<u>109,117</u>	<u>68,258</u>	<u>39,896</u>	<u>1,046,343</u>
Segment liabilities	<u>(271,678)</u>	<u>(159,167)</u>	<u>(139,330)</u>	<u>(82,316)</u>	<u>(62,950)</u>	<u>(32,349)</u>	<u>(747,790)</u>
Other segment items:							
Depreciation	(11)	(11)	(6)	(12)	–	–	(40)
Net change in fair value of investment properties	(1,736)	2,151	406	2,636	1,487	558	5,502
Capital expenditure	<u>(447)</u>	<u>(3,530)</u>	<u>(290)</u>	<u>(4,552)</u>	<u>–</u>	<u>–</u>	<u>(8,819)</u>

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

	Group			
	2H 2024	2H 2023	FY 2024	FY 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue				
Total revenue for reporting segments	29,621	30,914	60,957	61,976
Total return				
Total return for reportable segments before taxation	11,992	11,214	30,579	27,411
Unallocated amounts:				
- Other corporate expenses	(10,368)	(10,429)	(21,183)	(18,238)
Elimination of intercompany transaction	170	45	180	(3)
Total return before taxation	1,794	830	9,576	9,170

	Reportable segment totals	Other unallocated amounts	Elimination of intercompany balances	Consolidated totals
	S\$'000	S\$'000	S\$'000	S\$'000

**Other material items
31 December 2024**

Finance income	3,807	–	(3,716)	91
Finance costs	(3,651)	(19,538)	3,885	(19,304)

**Other material items
31 December 2023**

Finance income	3,494	–	(3,372)	122
Finance costs	(3,638)	(19,826)	3,430	(20,034)

	Group	
	31/12/2024	31/12/2023
	S\$'000	S\$'000
Assets		
Total assets for reportable segments	1,092,976	1,046,343
Other unallocated amounts	591,840	588,619
Elimination of intercompany balances	(758,183)	(708,079)
Consolidated assets	926,633	926,883
Liabilities		
Total liabilities for reportable segments	783,795	747,790
Other unallocated amounts	353,391	335,473
Elimination of intercompany balances	(750,942)	(701,794)
Consolidated liabilities	386,244	381,469

Geographical segments

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

Other information required by Listing Rule Appendix 7.2

1. Explanatory notes to consolidated financial information

Consolidated Statements of Total Return and Distribution Statement

	2H 2024 (S\$'000)	2H 2023 (S\$'000)	Change (%)	FY 2024 (S\$'000)	FY 2023 (S\$'000)	Change (%)
Statement of Total Return						
Gross revenue	29,621	30,914	(4.2)	60,957	61,976	(1.6)
Property operating expenses	(14,664)	(13,809)	6.2	(28,114)	(27,014)	4.1
Net property income⁽¹⁾	14,957	17,105	(12.6)	32,843	34,962	(6.1)
Other income ⁽²⁾	566	(176)	>100.0	924	1,104	(16.3)
Manager's base fee ⁽³⁾	(170)	(54)	>100.0	(330)	(277)	19.1
Manager's performance fee ⁽³⁾	(135)	-	N/M	(135)	-	N/M
Trustee's fee	(73)	(74)	(1.4)	(145)	(148)	(2.0)
Other expenses	(699)	(481)	45.3	(1,035)	(939)	10.2
Finance income	43	93	(53.8)	91	122	(25.4)
Foreign exchange gain/(loss) - realised ⁽⁴⁾	1,403	(214)	>100.0	1,403	(140)	>100.0
Finance cost ⁽⁵⁾	(9,328)	(9,991)	(6.6)	(19,304)	(20,034)	(3.6)
Total return for the period/year before changes in fair value of investment properties and unrealised foreign exchange gain	6,564	6,208	5.7	14,312	14,650	(2.3)
Changes in fair value of investment properties	(4,798)	(5,502)	(12.8)	(4,798)	(5,502)	(12.8)
Foreign exchange gain - unrealised	28	124	(77.4)	62	22	>100.0
Total return for the period/year before taxation	1,794	830	>100.0	9,576	9,170	4.4
Taxation ⁽⁶⁾	(1,551)	(2,024)	(23.4)	(4,597)	(5,335)	(13.8)
Total return/(loss) for the period/year after taxation	243	(1,194)	>100.0	4,979	3,835	29.8
Attributable to:						
Unitholders	(3,294)	(5,311)	(38.0)	(2,283)	(3,792)	(39.8)
Non-controlling interests	3,537	4,117	(14.1)	7,262	7,627	(4.8)
Total return/(loss) for the period/year after taxation	243	(1,194)	>100.0	4,979	3,835	29.8

	2H 2024 (S\$'000)	2H 2023 (S\$'000)	Change (%)	FY 2024 (S\$'000)	FY 2023 (S\$'000)	Change (%)
Distribution Statement						
Total loss for the period/year attributable to Unitholders	(3,294)	(5,311)	(38.0)	(2,283)	(3,792)	(39.8)
Distribution adjustments (Note A)	4,716	5,769	(18.3)	5,144	6,242	(17.6)
Income for the period/year available for distribution to Unitholders	1,422	458	>100.0	2,861	2,450	16.8
Less: Amount retained	(142)	(46)	>100.0	(286)	(245)	16.7
Income for the period/year to be distributed to Unitholders	1,280	412	>100.0	2,575	2,205	16.8

N/M – not meaningful

BHG Retail REIT and its subsidiaries
Unaudited Financial Information
For second half and full year ended 31 December 2024

	2H 2024 (S\$'000)	2H 2023 (S\$'000)	Change (%)	FY 2024 (S\$'000)	FY 2023 (S\$'000)	Change (%)
<u>Note A - Distribution adjustment items:</u>						
- Amortisation of debt establishment costs	1,232	1,204	2.3	2,450	2,392	2.4
- Change in fair value of investment properties ^(a)	4,823	6,196	(22.2)	4,823	6,196	(22.2)
- Deferred taxation ^(a)	(955)	(866)	10.3	(1,004)	(879)	14.2
- Transfer to statutory reserve	(355)	(522)	(32.0)	(944)	(1,207)	(21.8)
- Other adjustments ^(a)	(29)	(243)	(88.1)	(181)	(260)	(30.4)
Net effect of distribution adjustments	4,716	5,769	(18.3)	5,144	6,242	(17.6)

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

Footnotes:

- (1) Decrease in net property income mainly due to weakening of RMB against SGD, based on the average rate for the year, and increase in expenses as a result of increased revenue such as higher property tax and property management fees, and rental support provided to Dalian and Xining during their asset enhancement initiative.
- (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 year.
- (5) Decrease in finance costs mainly due to lower interest expenses on interest-bearing loans with floating interest rate exposure 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 and reversal of deferred tax expenses arose from the temporary differences in investment properties fair value.

Statements of Financial Position

	Group		REIT	
	31/12/2024 (S\$'000)	31/12/2023 (S\$'000)	31/12/2024 (S\$'000)	31/12/2023 (S\$'000)
Non-current assets				
Investment properties ⁽¹⁾	885,349	878,152	-	-
Plant and equipment	1,122	476	-	-
Interest in subsidiaries	-	-	584,661	583,896
Deferred tax assets	204	46	-	-
Derivative assets ⁽²⁾	-	754	-	754
	886,675	879,428	584,661	584,650
Current assets				
Trade and other receivables ⁽³⁾	10,753	4,557	2,008	368
Cash and cash equivalents ⁽⁴⁾	29,042	42,898	5,011	3,601
Derivative assets ⁽²⁾	163	-	163	-
	39,958	47,455	7,182	3,969
Total assets	926,633	926,883	591,843	588,619
Non-current liabilities				
Loans and borrowings ⁽⁵⁾	7,700	7,700	7,700	7,700
Trade and other payables ⁽⁶⁾	1,678	1,667	41,057	33,468
Security deposits	5,282	5,862	-	-
Lease liability	564	-	-	-
Deferred tax liabilities	34,913	35,470	-	-
Derivative liabilities ⁽²⁾	-	277	-	277
	50,137	50,976	48,757	41,445
Current liabilities				
Loans and borrowings ⁽⁵⁾	292,033	291,615	246,060	246,241
Trade and other payables ⁽⁶⁾	28,940	25,855	58,477	47,787
Security deposits	12,475	10,929	-	-
Current tax payable	2,494	2,094	-	-
Lease liability	67	-	-	-
Derivative liabilities ⁽²⁾	98	-	98	-
	336,107	330,493	304,635	294,028
Total liabilities	386,244	381,469	353,392	335,473
Net assets	540,389	545,414	238,451	253,146
Represented by:				
Unitholders' funds	374,027	376,198	238,451	253,146
Non-controlling interests	166,362	169,216	-	-
	540,389	545,414	238,451	253,146
Units in issue ('000)	519,603	519,603	519,603	519,603

Footnotes:

- (1) The carrying amount of investment properties has increased due mainly to the strengthening of RMB against SGD, based on the spot rate at year end, as compared to last financial year. In FY 2024, the fair value of investment properties in term of RMB, demonstrated a promising upward trend. Specifically, multi-tenanted properties experienced a substantial growth of RMB 16 million fueled by stable occupancy shifts and economic performance. On the other hand, master-leased properties saw a minor decrease of RMB 10 million, primarily attributed to the nearing expiration of the master lease.
- (2) 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.
- (3) Increase in trade and other receivables is mainly due to higher outstanding rents from tenants as compared to last financial year.
- (4) Included in the cash and cash equivalents are amounts of S\$5.7 million (2023: S\$5.0 million) and S\$4.2 million (2023: S\$3.4 million) of restricted cash for the Group and the REIT respectively.
- (5) Loans and borrowings are measured at amortised cost. Increase in short term loans and borrowings was mainly due to additional secured loan drawn down for Asset Enhancement Initiatives purposes. The Group and the REIT syndicated loans are due within a year.
- (6) The REIT arranged more long-term interest-bearing loans from its subsidiaries as compared to the last financial year. These loans are mainly used for the REIT's distribution and interest expense payments.

Consolidated Statement of Cash Flows

	2H 2024 (S\$'000)	2H 2023 (S\$'000)	FY 2024 (S\$'000)	FY 2023 (S\$'000)
Cash flows from operating activities				
Total return for the period/year before taxation	1,794	830	9,576	9,170
Adjustments for:				
Finance income	(43)	(93)	(91)	(122)
Finance cost	9,328	9,991	19,304	20,034
Loss on disposal of plant and equipment	35	44	35	44
Depreciation of plant and equipment	57	40	93	80
Changes in fair value of investment properties	4,798	5,502	4,798	5,502
Foreign exchange gain - unrealised	(28)	(124)	(62)	(22)
Impairment losses/(written back) recognised	157	(43)	164	(31)
Operating income before working capital changes	16,098	16,147	33,817	34,655
Changes in:				
Trade and other receivables ⁽¹⁾	1,107	7,135	(7,231)	4,059
Trade and other payables	2,387	525	256	3,712
Security deposit	(559)	(390)	966	(1,374)
Cash generated from operating activities	19,033	23,417	27,808	41,052
Tax paid	(2,780)	(3,013)	(5,211)	(6,912)
Net cash generated from operating activities	16,253	20,404	22,597	34,140
Cash flows from investing activities				
Capital expenditure on investment properties	(1,298)	(8,817)	(4,815)	(9,872)
Purchase of plant and equipment	(34)	(2)	(40)	(89)
Interest received	43	93	91	122
Net cash used in investing activities	(1,289)	(8,726)	(4,764)	(9,839)
Cash flows from financing activities				
Distribution to Unitholders	(1,299)	(822)	(1,715)	(2,943)
Dividend paid to non-controlling interests	-	-	(4,108)	(4,096)
Surplus capital returned to non-controlling interests ⁽²⁾	(7,105)	-	(7,105)	-
Increase in restricted cash	-	(20)	(731)	(1,416)
Proceeds from borrowings	2,265	5,749	4,681	13,905
Repayment of borrowings	(3,275)	(3,217)	(6,990)	(6,875)
Interest paid	(8,580)	(8,606)	(17,317)	(16,815)
Net settlement of derivative contracts	383	423	816	623
Payment of transaction costs related to loans and borrowings	-	-	(19)	(19)
Payment of lease liability	(92)	-	(92)	-
Net cash used in financing activities	(17,703)	(6,493)	(32,580)	(17,636)
(Decrease)/increase in cash and cash equivalents	(2,739)	5,185	(14,747)	6,665
Cash and cash equivalents at beginning of the period/year	26,083	32,936	37,939	32,833
Effect of exchange rate fluctuations on cash held	(3)	(182)	149	(1,559)
Cash and cash equivalents at end of the period/year⁽³⁾	23,341	37,939	23,341	37,939

Footnotes:

- (1) Decrease of changes in trade and other receivables was mainly due to higher outstanding rents as compared to the last financial period/year.
- (2) A subsidiary has undertaken capital reduction exercise and the surplus capital in excess of the company needs was returned to the proportionate non-controlling shareholder during the year. The surplus capital returned to the Group was used for operating expenses and working capital requirements of the Group.
- (3) For the purpose of the Consolidated Statement of Cash Flows, the cash and cash equivalents comprised the following:

	Group	
	31 Dec 2024	31 Dec 2023
	S\$'000	S\$'000
Bank and cash balances	29,042	42,898
Less: Restricted cash	(5,701)	(4,959)
Cash and cash equivalents of cash flows statement	23,341	37,939

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

2. Review of the performance of the Group

In RMB terms, gross revenue in FY 2024 increased by RMB 1.8 million (0.6%) compared to FY 2023. The increase was mainly due to higher occupancy and higher total rental revenues. In SGD terms, gross revenue in 2H 2024 and FY 2024 were S\$1.3 million (-4.2%) and S\$1.0 million (-1.6%) lower than 2H 2023 and FY 2023 respectively due to weaker RMB against SGD. Property operating expenses in 2H 2024 and FY 2024 were S\$0.9 million (6.2%) and S\$1.1 million (4.1%) higher than in 2H 2023 and FY 2023 respectively driven by expenses as a result of increased revenue such as higher property tax and property management fees. Net property income in 2H 2024 was S\$2.2 million (-12.6%) lower than 2H 2023 and FY 2024 was S\$2.1 million (-6.1%) lower than FY 2023 mainly due to higher operating costs and rental support provided to Dalian and Xining during their asset enhancement initiatives.

The portfolio occupancy rate was 95.8% as at 31 December 2024, slightly higher than 95.6% as at 31 December 2023.

Finance costs in 2H 2024 and FY 2024 were S\$0.7 million (-6.6%) and S\$0.7 million (-3.6%) lower than 2H 2023 and FY 2023 respectively. This was mainly due to the lower interest expenses on interest-bearing loans with floating interest rate exposure and repayment of loan principal.

Amount to be distributed to Unitholders in 2H 2024 and FY 2024 were S\$0.9 million (210.7%) and S\$0.4 million (16.8%) higher than 2H 2023 and FY 2023 respectively. Approximately S\$0.3 million (FY 2023: S\$0.2 million) of the income available for distribution for FY 2024 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 gross domestic product¹ ("GDP") for 2024 increased 5.0% year-on-year to RMB 135.0 trillion, broadly in line with market consensus of 4.9% expansion². Disposable income per capita of urban residents grew 4.6% year-on-year in 2024 while retail sales of consumer goods increased 3.5% year-on-year¹.

The International Monetary Fund (IMF) raised its China's GDP outlook for 2025, revising it from 4.5% in October 2024 to 4.6% in January 2025.³ This revision reflects carryover from 2024 and the fiscal package announced in November largely offsetting the negative effect on investment from heightened trade policy uncertainty and property market.

Footnotes:

- 1. Source: National Bureau of Statistics of China.
- 2. Reuters (16 January 2025): China's Q4 GDP grows 5.4% y/y, beating market forecast
- 3. IMF (17 January 2025): World Economic Outlook Update, January 2025: Global Growth: Divergent and Uncertain

8. Distribution

(a) Current financial period

Any distribution declared for the current financial period? Yes

Distribution period : 1 July 2024 to 31 December 2024

Distribution rate : 0.25 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 July 2024 to 31 December 2024 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 July 2023 to 31 December 2023

Distribution rate : 0.08 cents per unit

Distribution type : Capital distribution

(c) Date payable : 28 March 2025

(d) Book closure date : 6 March 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. Segmental information

(a) Total gross revenue

	FY 2024 (S\$'000)	FY 2023 (S\$'000)
<u>Multi-Tenanted Malls</u>		
Beijing Wanliu	36,625	35,971
Chengdu Konggang	11,873	11,481
Hefei Changjiangxilu	5,102	5,611
Hefei Mengchenglu	3,443	3,381
	57,043	56,444
<u>Master-Leased Malls</u>		
Xining Huayuan	2,412	3,251
Dalian Jinsanjiao	1,502	2,281
	3,914	5,532
Total gross revenue	60,957	61,976

(b) Net property income

	FY 2024 (S\$'000)	FY 2023 (S\$'000)
<u>Multi-Tenanted Malls</u>		
Beijing Wanliu	22,924	22,680
Chengdu Konggang	4,984	5,160
Hefei Changjiangxilu	1,371	1,815
Hefei Mengchenglu	90	229
	29,369	29,884
<u>Master-Leased Malls</u>		
Xining Huayuan	2,165	2,996
Dalian Jinsanjiao	1,309	2,082
	3,474	5,078
Total net property income	32,843	34,962

12. Breakdown of Sales and Net Income

	FY 2024 (S\$'000)	FY 2023 (S\$'000)
Gross revenue reported for first half year ^{(a), (c)}	31,336	31,062
Net income after tax and NCI for first half year ^{(a), (c)}	1,011	1,519
Gross revenue reported for second half year ^{(b), (c)}	29,621	30,914
Net loss after tax and NCI for second half year ^{(b), (c)}	(3,294)	(5,311)

Footnotes:

- a. The results for the first half year relates to the period from 1 January 2024 to 30 June 2024 and 1 January 2023 to 30 June 2023, respectively.
- b. The results for the second half year relates to the period from 1 July 2024 to 31 December 2024 and 1 July 2023 to 31 December 2023, respectively.
- c. Please refer to item 2 on the review.

13. Breakdown of Total Distribution

	FY 2024 (S\$'000)	FY 2023 (S\$'000)
In respect of period:		
1 January 2024 - 30 June 2024	1,299	-
1 July 2024 - 31 December 2024*	1,299	-
1 January 2023 - 30 June 2023	-	1,812
1 July 2023 - 31 December 2023	-	416
Annual distribution to Unitholders	2,598	2,228

* For the second half year ended 31 December 2024, the Manager of the REIT declared a distribution per unit of 0.25 Singapore cents totalling S\$1,299,000 to the unitholders of the REIT, payable on 28 March 2025.

Note: Actual annual distributions paid and payable to unitholders for FY 2024 as disclosed in above table are higher than Income for the year to be distributed to Unitholders disclosed in the Distribution Statement on Page 4, due to rounding differences where the actual distribution pay-out is computed using actual number of units multiplied by the Distribution per Unit.

14. 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.

15. Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Manager confirms that there is no person occupying a managerial position in the Manager or in any of the REIT's principal subsidiaries who is a relative of a director, chief executive officer, substantial shareholder of the Manager or substantial unitholder of the REIT.

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)

26 February 2025