

1Q 2022 BUSINESS UPDATES

11 May 2022

Anchoring Foundations. Staying Resilient.



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1Q 2022 Updates



Photo of Beijing Wanliu

Portfolio Overview

MULTI-TENANTED



Beijing Wanliu



Hefei Mengchenglu



Chengdu Konggang



Hefei Changjiangxilu



MASTER-LEASED



Xining Huayuan



Dalian Jinsanjiao



Portfolio Overview¹

6
Properties

4,678.0
(RMB million)
Valuation²

180,900
Net Lettable Area
(NLA) sqm

97.0%
Committed
Occupancy Rate

5.9 Years
Weighted Ave.
Lease Expiry by NLA

	Beijing Wanliu	Chengdu Konggang	Hefei Mengchenglu	Hefei Changjiangxilu	Xining Huayuan	Dalian Jinsanjiao
Valuation ² (RMB million)	2,511.5 ³	663.0	584.0	480.5	274.0	165.0
NLA (sqm)	52,877	39,115	25,599	27,156	20,807	15,345
Committed Occupancy Rate	96.0%	98.1%	92.0%	98.1%	100.0%	100.0%
WALE (NLA) years	3.9	3.6	3.1	4.4	13.3	13.3

¹ As at 31 March 2022.

² Based on independent valuation from Knight Frank Petty Limited as at 31 December 2021.

³ Based on 100% interest of Beijing Wanliu. Valuation of Beijing Wanliu based on 60% interest amounted to RMB 1,506.9 million.

● **Multi-tenanted**
● **Master-leased**

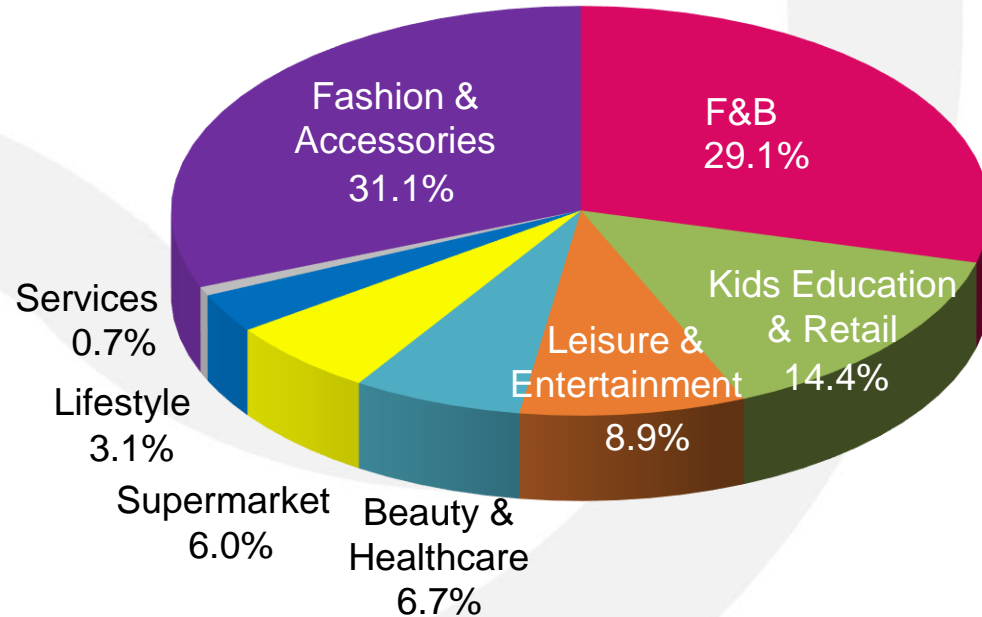


Diversified Tenant Mix

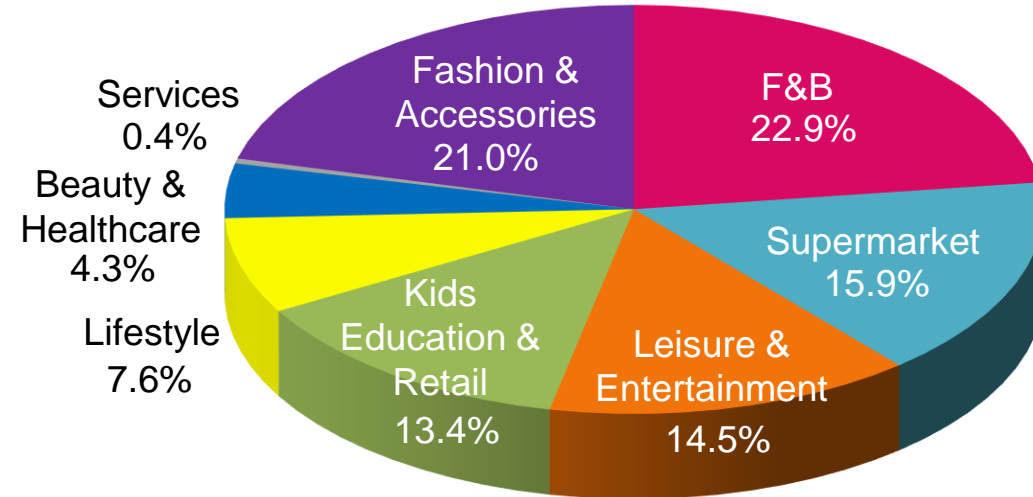
About 70% of Gross Rental Income and close to 80% of Net Lettable Area from experiential segment (exclude fashion & accessories)

Multi-tenanted Malls (As at 31 March 2022)

Breakdown of Gross Rental Income by Trade Sector



Breakdown of Net Lettable Area by Trade Sector



Lease Expiry Profile

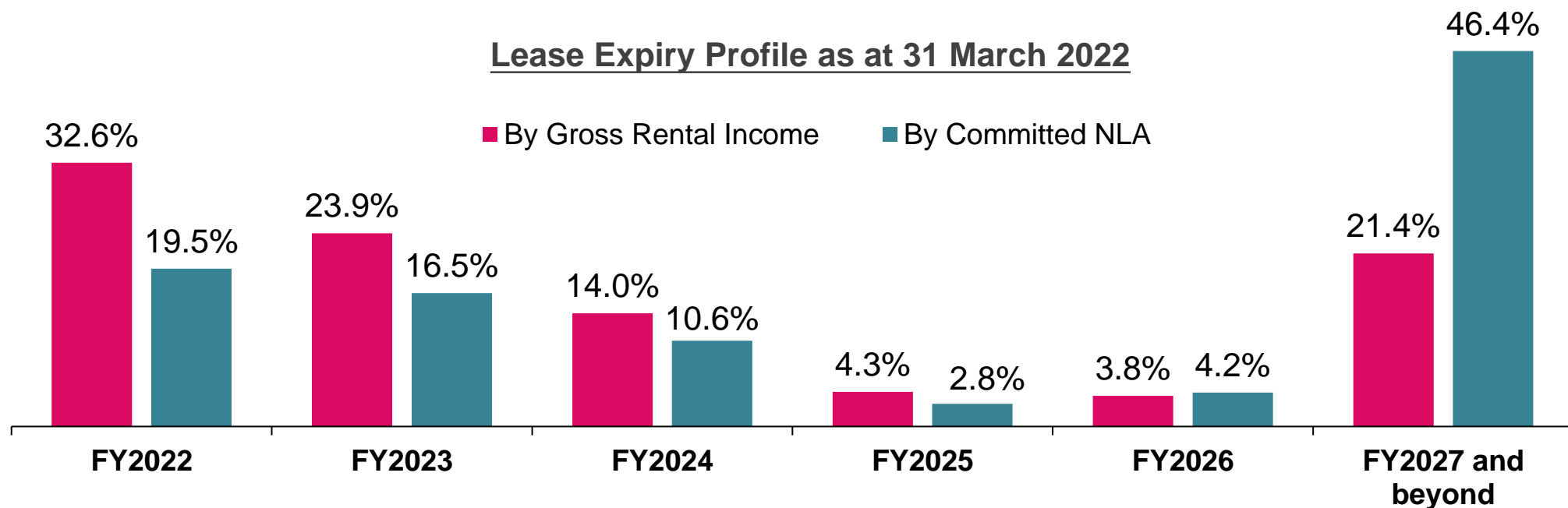
Weighted average lease expiry (WALE)
as at 31 March 2022

By Gross Rental Income: 3.5 years

By Committed NLA: 5.9 years



Lease Expiry Profile as at 31 March 2022





Revitalising Tenancies *Enhancing Experiences*



Photo of Beijing Wanliu

Kids Education & Development

Doctor Ma 马博士
Baby Swimming



@ Beijing Wanliu

Monlighten 蒙乐奇
Family Bonding Space



@ Beijing Wanliu

DR BOX 盒子博士
Educational Toys Rental and Sales



@ Hefei Changjiangxilu

Active Lifestyle Retail & Experience

V-ONE Basketball Hall



@ Hefei Changjiangxilu

JS Dance Studio



@ Chengdu Konggang



ERKE Kid's Sport Apparels



@ Hefei Changjiangxilu

Popular Dining Selections

Haagen-Dazs



Gui Yin Shi 鬼瘾食



Lee & Bai 李与白



Tims





Engaging Communities



Photo of Chengdu Konggang

Lunar Chinese New Year Activities

CNY Cultural Events & Couplets Give-away



CNY Floral Fair



@ Chengdu Konggang



@ Hefei Changjiangxilu

Children & Family Activities

Lipstick Making



Family Art & Craft



Floral Arrangement Activity



Plant Arrangements



Other Marketing Events

Jinhe Rice Promotional Event



Women's Day



Bai Tai TV Channel Lucky Draw Event



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Capital Management



Photo of Beijing Wanliu

Capital Management

Healthy Gearing With Debt Headroom For Growth

As at 31 March 2022

Aggregated
borrowings
drawn down
s\$301.2m

Gearing
Ratio¹

35.0 %

Average
Cost of Debt²

3.6%

Interest
Coverage Ratio³

2.6 x

- About 84% of borrowings are denominated in Singapore dollars (“Offshore”).
- Completion of refinancing exercise in March 2022.



1. Based on total principal loans and borrowings attributable to Unitholdings divided by total assets attributable to Unitholders. MAS gearing ratio was raised from 45% to 50% on 16 April 2020, to provide S-REITs greater flexibility to manage their capital structure and to raise debt financing.
2. Average cost of debt will be 4.5% per annum if amortisation of loan establishment fee is included.
3. Interest coverage ratio means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees.



Our Sustainability Journey

Environmental, Social and Governance (ESG)



Our Sustainability Journey

Environmental, Social and Governance (ESG)

Background

- *We are cognisant of ESG issues that are relevant for BHG Retail REIT and our stakeholders*
- *Proactively strive to address these ESG issues which are taken into account during our business strategy formulation*
- *Started annual sustainability reporting and issued first Sustainability Report in FY 2018*

Climate Change

- *We recognise that climate change has a widespread and severe impact on the environment we live in*
- *Constantly finding ways to reduce carbon emissions and started exploring innovative solutions for our retail properties*
- *Started climate risk assessment and scenario analysis in FY 2021 for our retail properties located in China*



Our Sustainability Journey: Environmental

Water Management

Implemented practices to control and manage water wastage. Such as:

- ✓ **Utilising water-efficient flushing cisterns;**
- ✓ **Installing motion sensor water faucets;**
- ✓ **Reducing tap flow rate**



Energy Efficiency

Established energy savings plan to ensure energy efficiency through lighting management efforts and optimisation of air-conditioning system output, such as:

- ✓ **Installing motion sensor-based & timing-controlled lights and LED lights;**
- ✓ **Installing air curtains, strip curtains and sunshades to dissipate excess heat, keeping the mall interior cool without requiring a high system output;**
- ✓ **Regular readjustment of system output based on actual weather conditions and temperature to minimise energy wastage**



Our Sustainability Journey: Social (CSR Initiatives)

Complimentary Public Health Check 慈善义诊



Clothes Collection & Redistribution



Donation of Refreshments to Public Service Officers



Gifts Donation to ItsRainingRaincoats



Our Sustainability Journey: Governance

Awards		Results	Year
1	Best Corporate Communications and Investor Relations (The Global Good Governance Awards™ 2021)	Platinum	2021
2	Best Governed and Transparent Company (The Global Good Governance Awards™ 2021)	Silver	2021
3	Asia Pacific Best of the Breed REITs Awards™ 2020 (Retail REIT category with market capitalisation of less than US\$1 billion)	Gold	2020



Photo of Hefei Changjiangxilu



Looking Forward



Photo of Hefei Mengchenglu

China Macroeconomic Outlook¹

China	1Q 2022
GDP Growth (year-on-year)	+4.8%
Retail Sales Growth (year-on-year)	+3.3%
Disposable income per capita for urban residents (year-on-year)	+5.4%

1. Source: National Bureau of Statistics of China.

Look Forward

- China's economy underwent a stable recovery amid COVID-19 resurgences in 1Q 2022. Gross domestic product¹ ("GDP") grew 4.8% year-on-year to RMB 27.0 trillion in 1Q 2022.
- During the annual Two Sessions held in March 2022, the Chinese authorities announced the 2022 GDP growth target of 5.5%, and also highlighted several key priorities in the year ahead. These include providing further tax support to help businesses, boosting domestic consumption, expanding investment, further promoting foreign investment, creating new jobs, and maintaining a more or less equal income growth and economic growth.

Looking Forward

Notwithstanding the near-term uncertainties and headwinds from COVID-19, the Manager remains focused and committed to proactively manage the existing portfolio, as well as to pursue growth.

Creating Organic Value

Proactive Asset Management

- Reinforce community positioning of our malls
- Improve rents while maintaining healthy occupancy rates
- Build firm partnerships with tenants, and demonstrate proactive tenant management
- Proactive marketing strategies
- Tap on the Sponsor's (Beijing Hualian Department Store Co., Ltd.) and Beijing Hualian Group's retail network and experience

Proactive Asset Enhancement

- Identify opportunities to improve the malls
- Achieve better efficiency or higher rental potential
- Upgrade existing facilities and reconfigure existing spaces

Pursuing Acquisition Growth

- Completed acquisition of Hefei Changjiangxilu in April 2019.
- We will continue to explore acquisition opportunities in both right of first refusal and third party quality income-producing retail properties.



Photo of Beijing Wanliu

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Thank you

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