

BHG Retail REIT

FY 2023 Results Presentation



23 February 2024



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Photo of Hefei Mengchenglu

FY 2023 Key Highlights



62.0
(SGD million)
Gross Revenue
in FY 2023

35.0
(SGD million)
Net Property Income in
FY 2023

0.43
(SGD cents)
Distribution per Unit in
FY 2023¹



95.6%
Portfolio
Occupancy²

39.9%
Gearing²

Revitalising Tenancies
Enhancing Experiences



+5.2%
China GDP
Growth
in FY 2023³
(y-o-y)

+4.8%
Disposable
income
per capita for urban residents
in FY 2023³ (y-o-y)

+7.2%
China Retail Sales
Growth
in FY 2023³
(y-o-y)

1. For the FY 2023, approximately S\$0.2 million of the amount available for distribution has been retained for operational expenses and working capital requirements of the REIT.

2. As at 31 December 2023.

3. Source: National Bureau of Statistics of China.

Financial Update



Photo of Beijing Wanliu

FY 2023 Financial Update

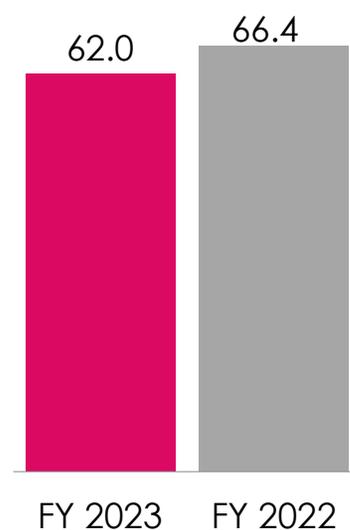
Gross Revenue
FY 2023
62.0
SGD million

Net Property Income
FY 2023
35.0
SGD million

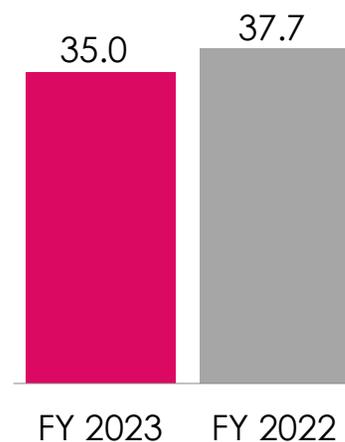
Amount to be distributed
to Unitholders^{1,2}
FY 2023
2.2
SGD million

Distribution per Unit^{1,2}
FY 2023
0.43
SGD cents

Gross Revenue³
SGD million



Net Property Income³
SGD million



1. For the FY 2023, approximately S\$0.2 million of the amount available for distribution has been retained for operational expenses and working capital requirements of the REIT.
2. Lower year-on-year mainly due to weakening of RMB against SGD and higher interest expenses.
3. Decreased due to weakening of RMB against SGD. However, Gross Revenue and Net Property Income for FY 2023 were higher than FY2022 in RMB term.

2H 2023 Distribution Payment

Distribution Details

Distribution Period	1 July 2023 to 31 December 2023
Distribution Per Unit (SGD)	0.08 cents per unit

Distribution Timetable

Ex-Date	1 March 2024
Books Closure Date	4 March 2024
Payment Date	28 March 2024

Balance Sheet and Capital Management

Balance Sheet (SGD million)

As at 31 December 2023

Investment Properties	878.2
Total Assets	926.9
Total Liabilities	381.5
Net Assets	545.4
Net Asset Value Per Unit ¹ (SGD cents)	0.72

Healthy Gearing with Debt Headroom for Growth

As at 31 December 2023

Aggregated Borrowings Drawn Down	S\$302.4m
Gearing Ratio ²	39.9%
Average Cost of Debt ³	5.6%

- Above 80% of borrowings are denominated in Singapore dollars (offshore borrowings)
- Approximately 50% of offshore syndicated borrowings hedged via interest rate swaps

1. Based on net assets attributable to Unitholders.

2. Based on total loans and borrowings principal attributable to Unitholdings divided by total assets attributable to Unitholders.

3. Weighted average cost of debt will be approximately 6.4% per annum if amortisation of loan establishment fee is included.

Portfolio Update



Photo of Chengdu Konggang

Portfolio Overview

MULTI-TENANTED



Beijing Wanliu



Hefei Mengchenglu



Chengdu Konggang



Hefei Changjiangxilu



MASTER-LEASED



Xining Huayuan



Dalian Jinsanjiao

Portfolio Overview¹

6 Properties
 4,723.0 (RMB million) Valuation²
 178,167 Net Lettable Area (NLA) sqm
 95.6% 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)	2,551.0 ³	674.0	587.0	483.0	266.0	162.0
NLA (sqm)	52,451	38,459	26,742	24,363	20,807	15,345
Committed Occupancy Rate	98.1%	96.1%	92.6%	86.3% ⁴	100.0%	100.0%
WALE (NLA) years	3.4	2.4	6.4	6.2	11.0	11.0

1. As at 31 December 2023.

2. Based on independent valuation from Colliers International (Hong Kong) Limited as at 31 December 2023.

3. Based on 100% interest of Beijing Wanliu. Valuation of Beijing Wanliu based on 60% interest amounted to RMB 1,530.6million.

4. Due to ongoing tenancy rejuvenation.

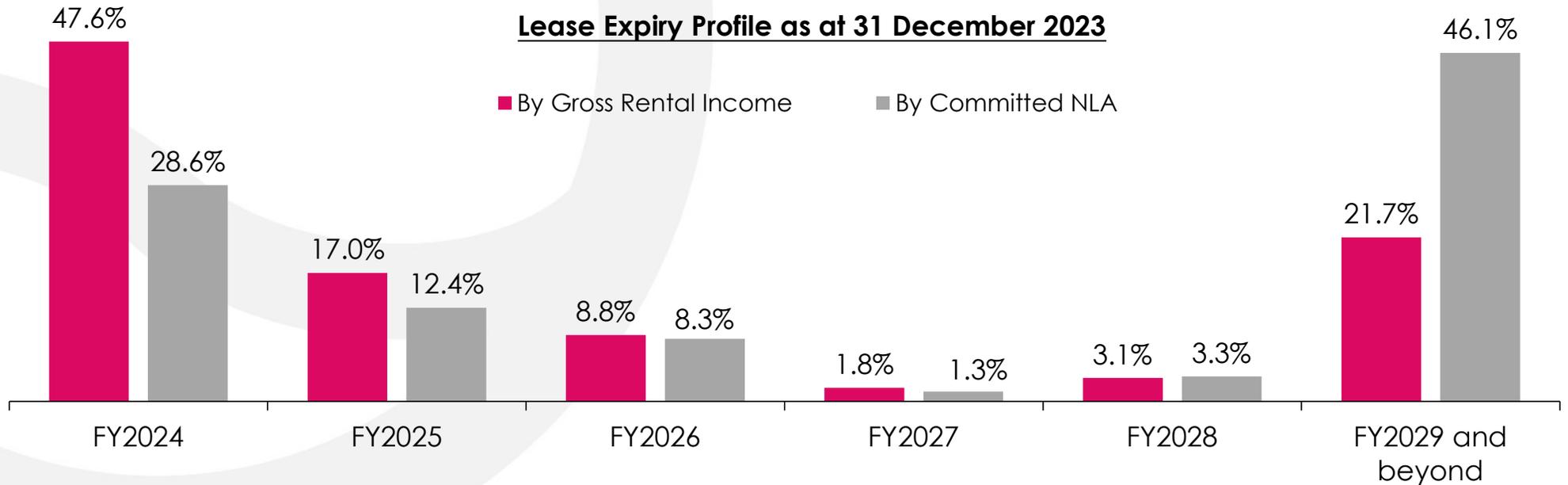
● **Multi-tenanted**
● **Master-leased**

Lease Expiry Profile

Weighted Average Lease Expiry (WALE) as at 31 December 2023

By Gross Rental Income: 3.3 years

By Committed NLA: 5.9 years

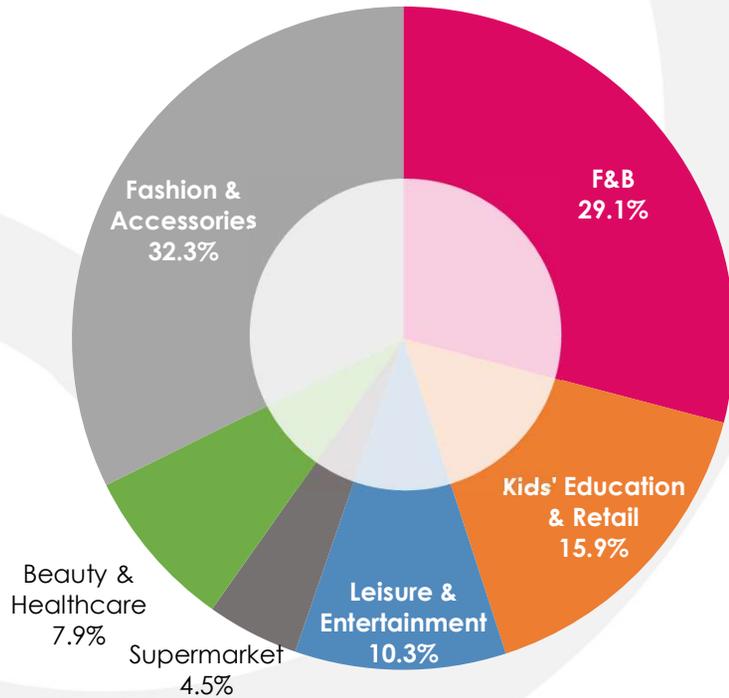


Diversified Tenant Mix

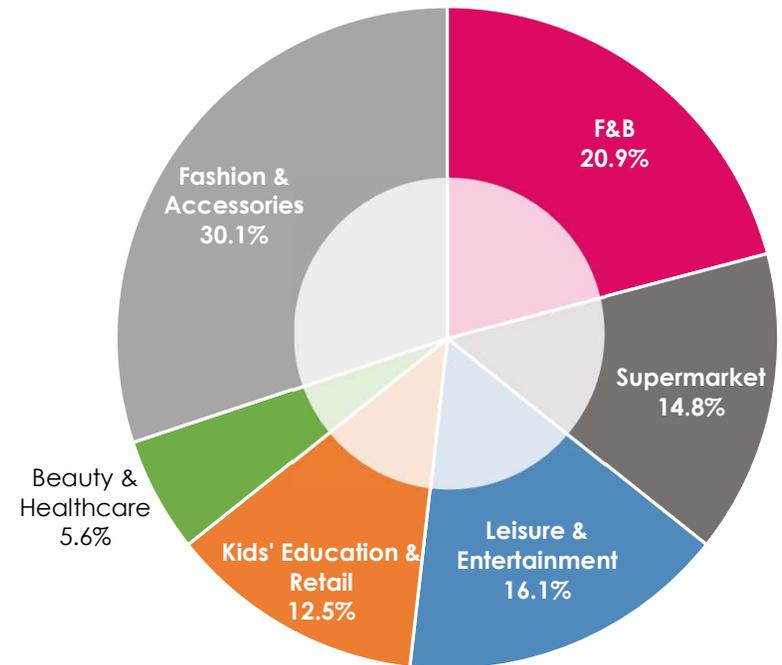
- Close to 68% of Gross Rental Income and 70% of Net Lettable Area from experiential segment (exclude fashion & accessories)

Multi-tenanted Malls (As at 31 December 2023)

Breakdown of Gross Rental Income by Trade Sector



Breakdown of Net Lettable Area by Trade Sector



北京华联蒙城路购物中心
BHG
Mall

生·活·超·市
LIFESTYLE MARKET

Revitalising Tenancies Enhancing Experiences

必胜客
午餐套餐
30元起

广告位招租

广告位招租

广告位招租

广告位招租

Photo of Hefei Mengchenglu

New Lifestyle and Retail Offerings In our Malls

TREK Bicycle 单车



@ Beijing Wanliu

Fan Zi Gu Anime Cosplay 番之谷



@ Hefei Mengchenglu

Hema Supermarket 盒马鲜生



@ Chengdu Konggang

MYHAIR 发廊



@ Beijing Wanliu

Dr X Eye Clinic 羽视眼科



@ Beijing Wanliu

VR 幻影星空



@ Beijing Wanliu

New Tenants In Our Malls (Fashion and Children)

Bosideng Winter Wear 波斯登 羽绒服



@ Beijing Wanliu

Wan Ke Lai Fashion Outlet 万客来 服装超市



@ Hefei Mengchenglu

Hong Dou Children Wear 红豆童装



@ Hefei Changjiangxilu

Mr Dabin Men Wear 大斌先生 男装



@ Chengdu Konggang

Summer Bella Woman Wear 夏贝芮拉 女装



@ Beijing Wanliu

Hostoyo Children Wear 皇室童缘



@ Chengdu Konggang

Popular F&B Selections

LuYouWo Braised Snacks 卤优渥 卤味



Chun Zi Beef Rice 春子牛肉汤饭



MAN Fried Chicken 满巍明 生炸鸡架



Come Wonka Bubble Tea 卡旺卡 奶茶



Jun Xi Jia BBQ 俊熙家 烤肉



Luckin Coffee 瑞幸咖啡



Anchoring Foundations. Staying Resilient.

Engaging Communities Creating Lasting Memories



Photo of Chengdu Konggang

Engaging Shoppers and Communities



Mural Painting @ Beijing Wanliu



Public Square Dancing Event @ Chengdu Konggang



Pokemon Competition @ Beijing Wanliu



Pink Music Fest @ Hefei Mengchenglu

Children & Family Activities



Halloween Pumpkin DIY @ Beijing Wanliu



Halloween Tour Around @ Chengdu Konggang



Christmas DIY Art & Craft @ Beijing Wanliu



Parent-Child Art & Craft @ Hefei Mengchenglu

Our Sustainability Journey

Environmental, Social and Governance (ESG)



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 consider and address these ESG issues 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

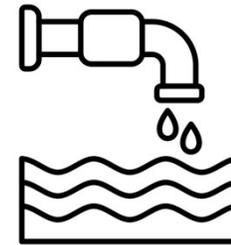
Energy Efficiency



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 and 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

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

Our Sustainability Journey: Social (CSR Initiatives)

Gift Packs to Elderlies 孤寡老人爱心慰问活动



Visit to the Community 爱心慰问活动



Community Health Checkup 社区体检



Fun Activities to Engage The Elderlies



Our Sustainability Journey: Governance

Awards	Results	Year
1 Best Retail REIT (for companies with less than US\$1 billion in market capitalisation) Asia Pacific Best of the Breed REITs Awards 2023™	Platinum	2023
2 Best Investor Relations Asia Pacific Best of the Breed REITs Awards 2023™	Platinum	2023
3 Best Corporate Communications and Investor Relations Team (The Global CSR & ESG Awards 2023™)	Platinum	2023
4 Best Community Programme Award (The Global CSR & ESG Awards 2023™)	Bronze	2023
5 CSR & ESG Leadership Award (The Global CSR & ESG Awards 2023™)	Bronze	2023

Looking Forward



Photo of Beijing Wanliu

China Macroeconomic Outlook

China		FY 2023
GDP Growth (year-on-year)	+5.2%	<ul style="list-style-type: none"> China's gross domestic product¹ ("GDP") for 2023 increased 5.2% year-on-year to RMB 126.0 trillion, broadly in line with market consensus of 5.3% expansion².
Disposable income per capita of urban residents (year-on-year)	+4.8%	<ul style="list-style-type: none"> Disposable income per capita of urban residents grew 4.8% year-on-year in 2023 while retail sales of consumer goods increased 7.2% year-on-year¹, the higher growth rate was driven in main by food and beverages, clothing and jewellery sales which grew by 20.4%, 12.9% and 13.3% respectively.
Retail Sales of Consumer Goods Growth (year-on-year)	+7.2%	<ul style="list-style-type: none"> The International Monetary Fund (IMF) raised its China's GDP outlook for 2024, revising it from 4.2% in October 2023 to 4.6% in January 2024³, the upgrade reflects carryover from stronger-than-expected growth in 2023 and increased government spending on capacity building against natural disasters. According to CBRE, China retail property market is poised to benefit from further recovery in domestic consumption in 2024. Demand for store leases in 2024 will continue to be driven by the dining, entertainment, sports and beauty categories. Benefiting from a sustained recovery in demand, nationwide vacancy decreased for a second consecutive quarter and rental is starting to stabilise. Location and project will remain differentiated, with high-quality regional shopping centers expected to outperform the market average⁴.

1. Source: National Bureau of Statistics of China.

2. Bloomberg (15 January 2024): China Set to Reach 2023 GDP Goal as Focus Shifts to New Year..

3. IMF (30 January 2024): World Economic Outlook Update - Moderating Inflation and Steady Growth Open Path to Soft Landing

4. CBRE (February 2024): China Figures Q4 2023

Looking Forward

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 rent 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 and 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 relation to quality income-producing properties from the Sponsor's pipeline as well as third-party vendors



Photo of Beijing Wanliu

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Thank you

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