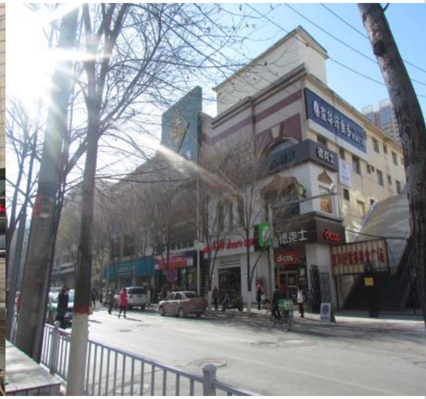
# BHG Retail REIT
# 3Q 2023 Business Update

10 November 2023





# Content

- 3Q 2023 Updates
- Capital Management
- Looking Forward

Photo of Hefei Mengchenglu

# 3Q 2023 Updates


Photo of Beijing Wanliu

# Portfolio Overview

## MULTI-TENANTED


Beijing Wanliu


Hefei Mengchenglu


Chengdu Konggang


Hefei Changjiangxilu


## MASTER-LEASED


Xining Huayuan

Dalian Jinsanjiao

# Portfolio Overview[1]

| 6 | 4,703.0 | 177,958 | 95.2% | 5.4 Years |
|---|---|---|---|---|
| **Properties** | **(RMB million) Valuation[2]** | **Net Lettable Area (NLA) sqm** | **Committed Occupancy Rate** | **Weighted Ave. Lease Expiry by NLA** |

| | Beijing Wanliu | Chengdu Konggang | Hefei Mengchenglu | Hefei Changjiangxilu | Xining Huayuan | Dalian Jinsanjiao |
|---|---|---|---|---|---|---|
| Valuation[2] (RMB million) | 2,527.0[3] | 667.0 | 587.0 | 483.0 | 274.0 | 165.0 |
| NLA (sqm) | 52,380 | 38,459 | 25,084 | 25,883 | 20,807 | 15,345 |
| Committed Occupancy Rate | 96.8% | 96.1% | 90.5% | 88.4%[4] | 100.0% | 100.0% |
| WALE (NLA) years | 3.5 | 2.5 | 4.8 | 4.0 | 11.3 | 11.3 |

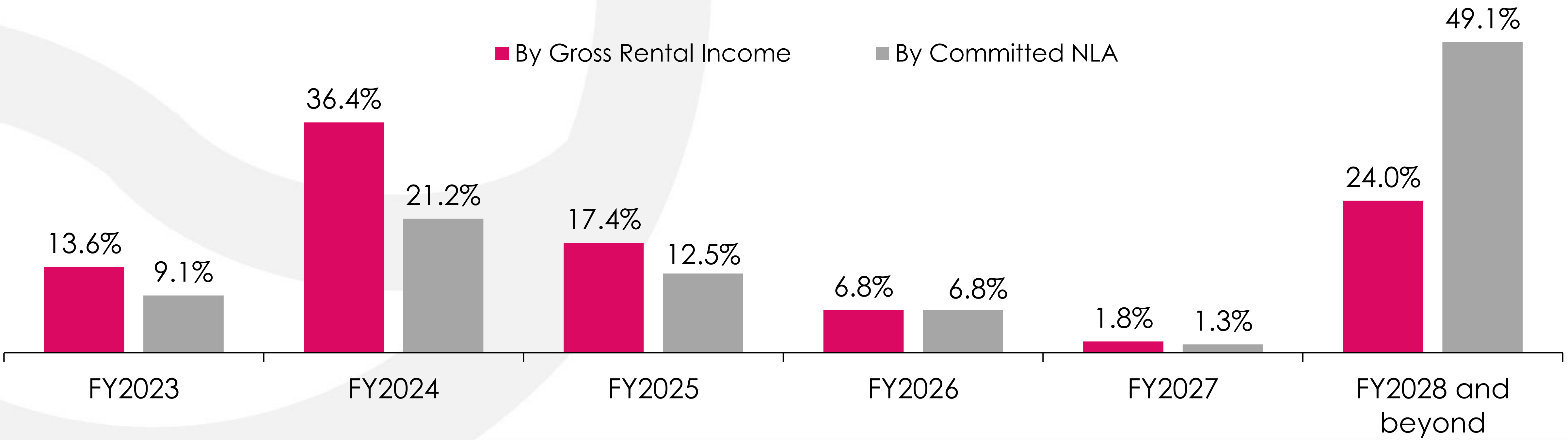
1. As at 30 September 2023.
2. Based on independent valuation from Colliers International (Hong Kong) Limited as at 31 December 2022.
3. Based on 100% interest of Beijing Wanliu. Valuation of Beijing Wanliu based on 60% interest amounted to RMB 1,516.2 million.
4. Due to ongoing tenancy rejuvenation.

● Multi-tenanted
● Master-leased

# Lease Expiry Profile

| Weighted Average Lease Expiry (WALE) as at 30 September 2023 | |
|---|---|
| By Gross Rental Income: | 3.2 years |
| By Committed NLA: | 5.4 years |

**Lease Expiry Profile as at 30 September 2023**

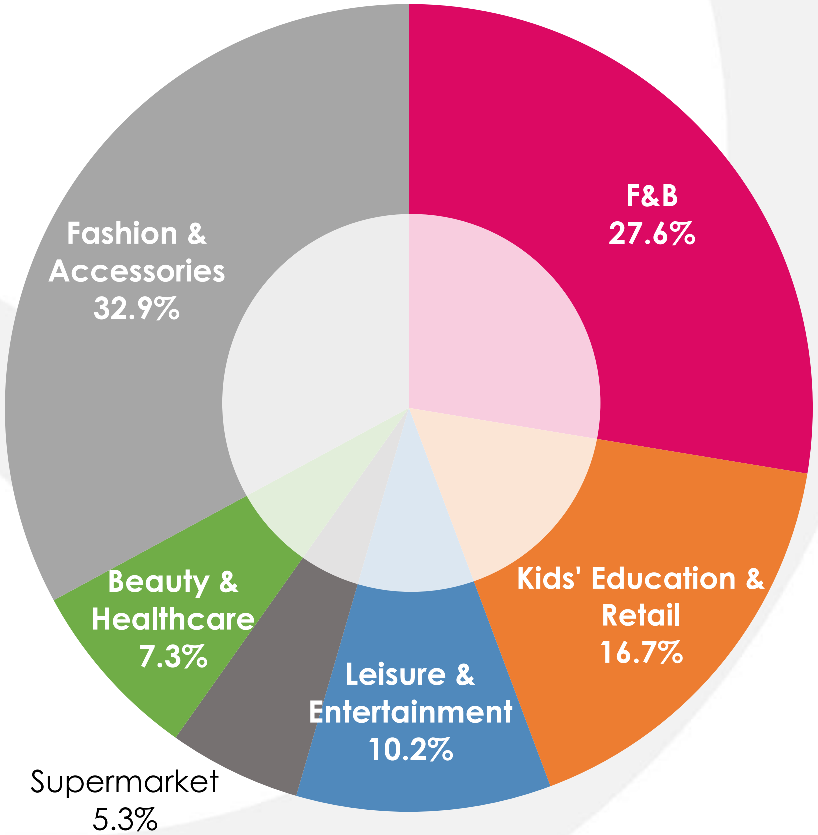


# Diversified Tenant Mix

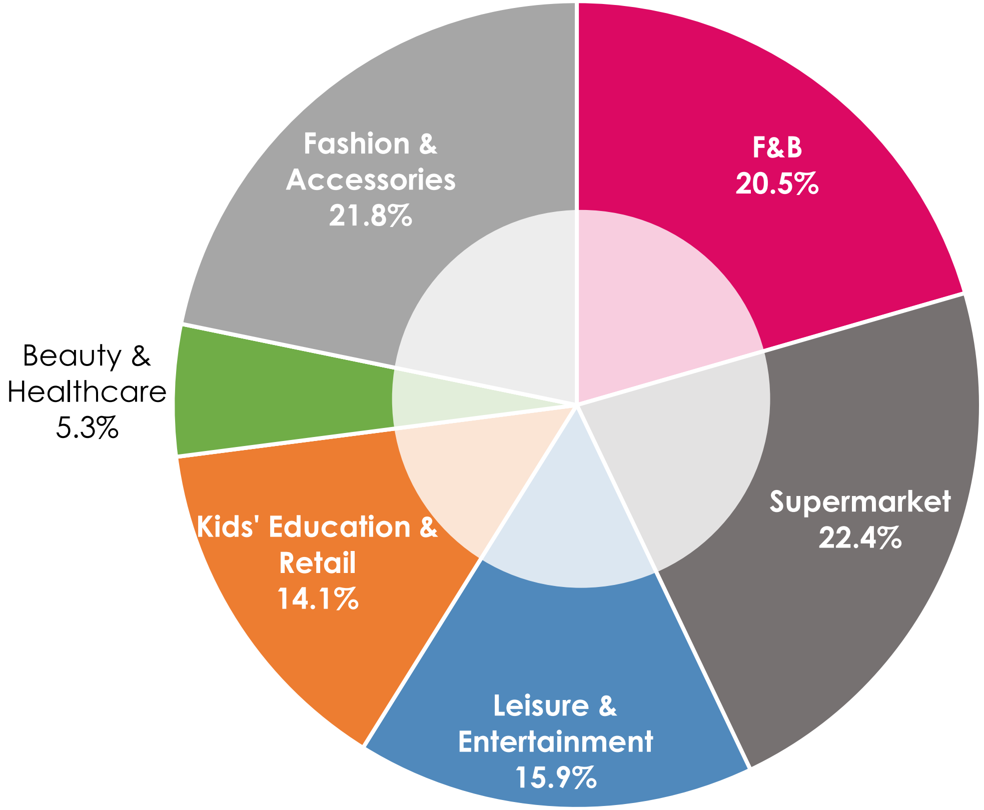
- Close to 67% of Gross Rental Income and 78% of Net Lettable Area from experiential segment (exclude fashion & accessories)

**Multi-tenanted Malls (As at 30 September 2023)**

**Breakdown of Gross Rental Income by Trade Sector**




**Breakdown of Net Lettable Area by Trade Sector**



# Capital Management


Photo of Chengdu Konggang

# Capital Management

| Healthy Gearing with Debt Headroom for Growth | As at 30 September 2023 |
|---|---|
| Aggregated Borrowings Drawn Down | S$299.5m |
| Gearing Ratio[2] | 39.4% |
| Average Cost of Debt[3] | 5.5% |

- Above 80% of borrowings are denominated in Singapore dollars (offshore borrowings)
- Approximately 50% of offshore 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 6.3% per annum if amortisation of loan establishment fee is included.

# Revitalising Tenancies
# Enhancing Experiences


Photo of Hefei Mengchenglu

# New Lifestyle and Children Offerings In our Malls

**iFlytek 科大讯飞**


@ Beijing Wanliu

**FADA 发道**


@ Beijing Wanliu

**Barbados Skin Care 芭芭多美容**


@ Hefei Changjiangxilu

**Princess Lisa Ballet 丽莎公主**


@ Beijing Wanliu

**361°kids**


@ Chengdu Konggang

**Miffy Shoes 米菲童鞋**


@ Hefei Changjiangxilu

# New Fashion and Retail Tenants In Our Malls

## Re-BLUE

@ Beijing Wanliu

## le saunda 莱尔斯丹

@ Beijing Wanliu

## Senson Art 季艺

@ Chengdu Konggang

## QYIBY 仟依佰荨

@ Chengdu Konggang

## ZoySel 芝饰女装

@ Hefei Changjiangxilu

## Chow Tai Fook 周大福

@ Hefei Mengchenglu

# Popular F&B Selections

## Xibei Restaurant 西贝莜面村


@ Beijing Wanliu

## CHAGEE 霸王茶姬


@ Beijing Wanliu

## Auntea Jenny 沪上阿姨


@ Chengdu Konggang

## Guanyunan Chicken Pot 管与楠鸡公煲


@ Chengdu Konggang

# Engaging Communities
# Creating Lasting Memories

Photo of Chengdu Konggang

# Engaging Shoppers and Communities


Dance Competition @ Hefei Changjiangxilu


Dance Event @ Beijing Wanliu


Mid-Autumn Event @ Chengdu Konggang


Mahjong Competition @ Chengdu Konggang

# Children and Family Activities

Children's Basketball League @ Hefei Changjiangxilu


Birthday Event @ Beijing Wanliu


Jigsaw Puzzle Contest @ Chengdu Konggang

Summer Event @ 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

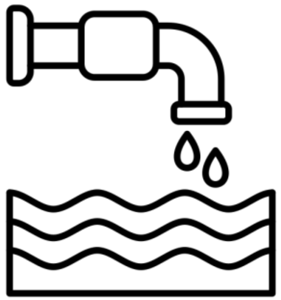
# Our Sustainability Journey: Environmental

## 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)

**CNY Gift Packs to Elderlies 孤寡老人爱心慰问活动**

**Tree Planting Programme 植树节**

**Movies for the Disabled 残疾人公益观影活动**


**Calligraphy Workshop with Visually Impaired Artist**

# Our Sustainability Journey: Governance

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

# Looking Forward


Photo of Beijing Wanliu

# China Macroeconomic Outlook

| China | |
|---|---|
| **GDP Growth** (y-on-y) | **+5.2%** |
| **Disposable income per capita of urban residents** (y-on-y) | **+5.1%** |
| **Retail Sales of Consumer Goods Growth** (y-on-y) | **+6.8%** |

**9M 2023**

- China's 9M 2023 gross domestic product ("GDP") grew 5.2% year-on-year to RMB 91.3 trillion, showing signs of stability following months of slowdown[1]
- 9M 2023 disposable income per capita of urban residents grew 5.1% year-on-year, while retail sales of consumer goods increased 6.8% year-on-year[2]
- China's central bank cut its financial-institution reserve requirement ratio by 0.25 percentage points to boost liquidity and support the country's economic recovery[3]

1. Reuters (18 October 2023): China's GDP allows room for stimulus waiting game.
2. Source: National Bureau of Statistics of China.
3. Reuters (14 September 2023): China cuts banks' reserve ratio for second time in 2023 to aid recovery.

# 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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