

FY 2020

Results Presentation

26 February 2021



BHG RETAIL REIT

CREATING VALUE. PURSUING GROWTH.



Content

- 2H 2020 Key Highlights
- Financial Update
- Portfolio Update
- Looking Forward





2H 2020 Key Highlights

+17.8% Gross Revenue (SGD) 2H 2020 vs 1H 2020	+20.2% Net Property Income (SGD) 2H 2020 vs 1H 2020	1.06 SGD cents Distribution Per Unit 2H 2020 ¹	+19.1% Distribution per Unit 2H 2020 vs 1H 2020 ¹
93.5% Portfolio Occupancy ²	35.7% Gearing ²	Beijing Wanliu Supermarket Resizing Exercise & Asset Enhancement	
+6.5% China GDP Growth in 4Q 2020 ³ (y-o-y)	+2.3% China GDP Growth in 2020 ³ (y-o-y)	+4.6% China Retail Sales Growth in 4Q 2020 ³ (y-o-y)	+5.7% Disposable income per capita for urban residents in 4Q 2020 ³ (y-o-y)



Photo of Pop Mart @ Beijing Wanliu

- 1 In 2H 2020, approximately S\$0.6 million of the amount available for distribution had been retained for operational expenses and working capital requirements of the REIT.
- 2 As at 31 December 2020.
- 3 Source: National Bureau of Statistics of China.



Financial Update



Photo of Costa Coffee @ Beijing Wanliu



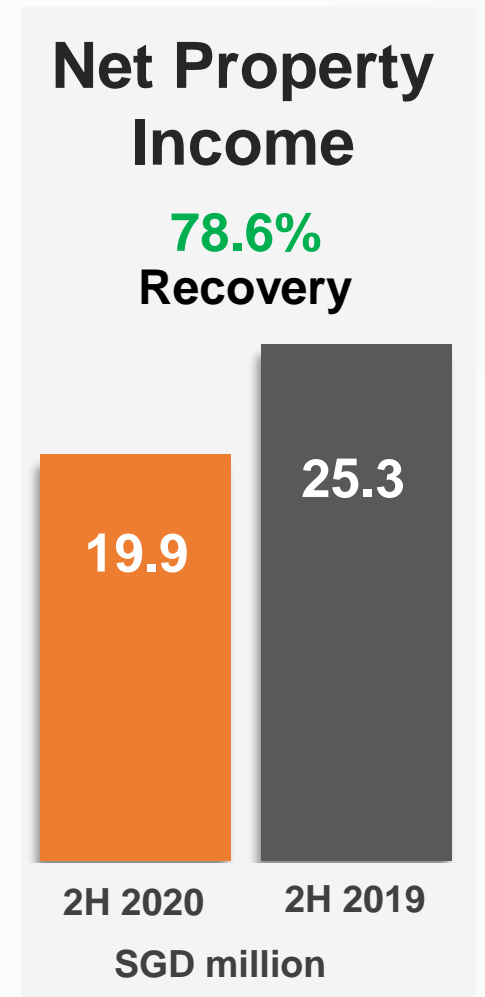
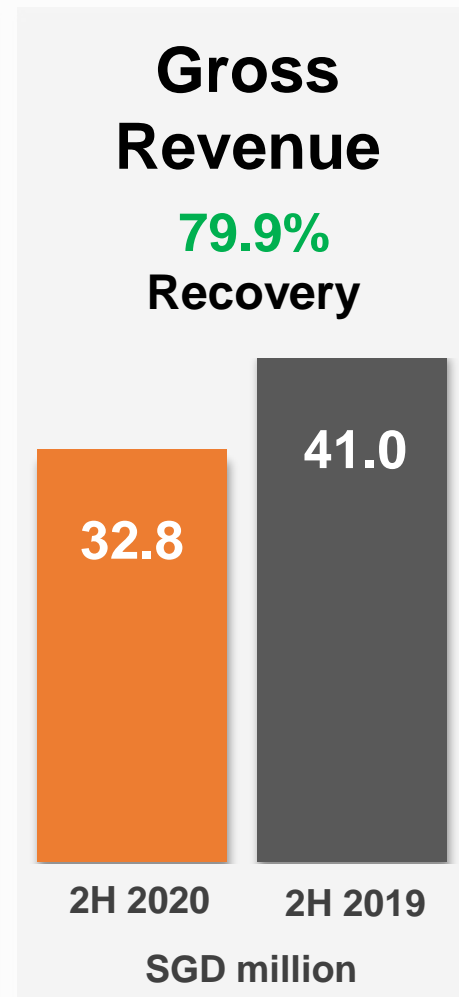
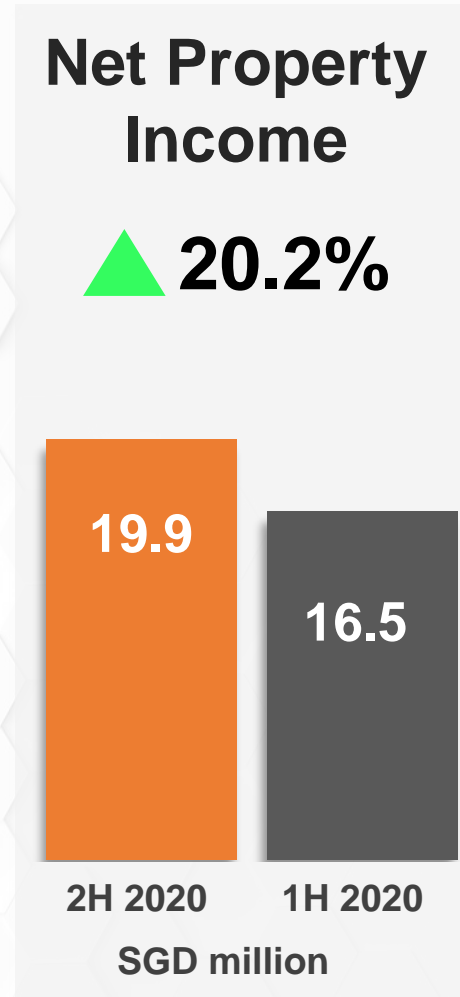
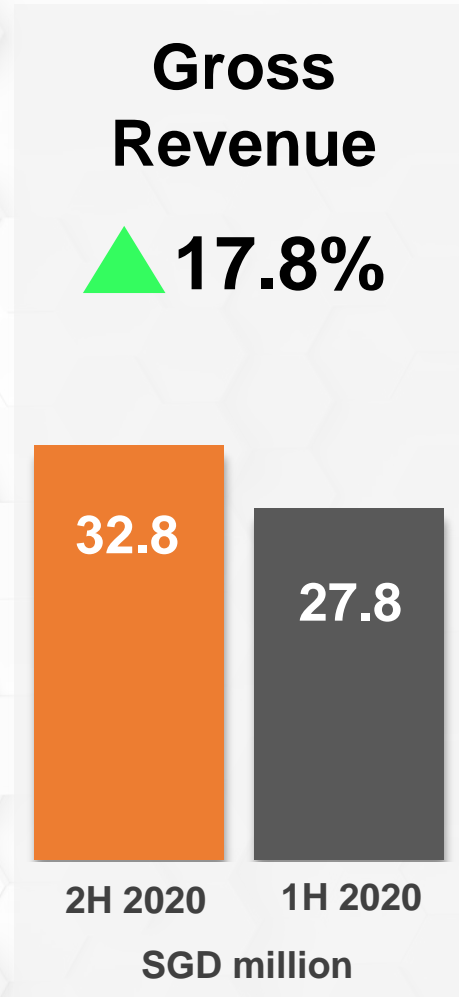
Notable Recovery in 2H 2020

2H 2020 vs 1H 2020

2H 2020 vs 2H 2019

Gross Revenue
FY 2020
60.6
SGD million

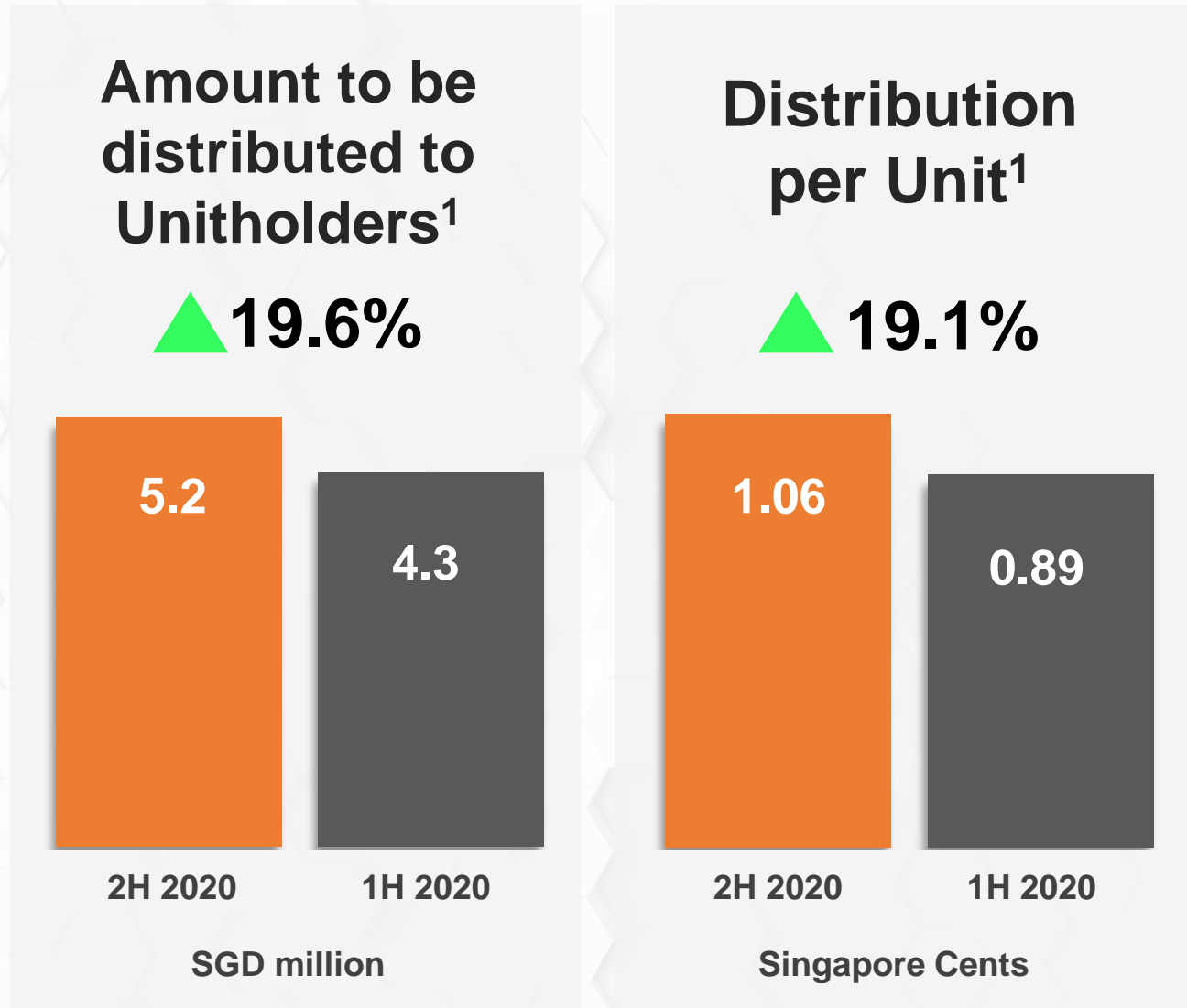
Net Property Income
FY 2020
36.4
SGD million





2H 2020 Distribution per Unit Up 19.1% vs 1H 2020

2H 2020 vs 1H 2020



Distribution per Unit¹
2H 2020
1.06
Singapore cents

Amount to be distributed to Unitholders¹
2H 2020
5.2
SGD million

Distribution per Unit¹
FY 2020
1.95
Singapore cents

Amount to be distributed to Unitholders¹
FY 2020
9.5
SGD million

¹ Approximately \$0.6 million and S\$1.1 million of the amount available for distribution had been retained for 2H 2020 and FY 2020, respectively, for operational expenses and working capital requirements of the REIT.



2H 2020 Distribution Payment

Distribution Details

Distribution Period	1 July 2020 to 31 December 2020
Distribution Per Unit (SGD)	1.06 cents per unit

Distribution Timetable

Ex-Date	10 March 2021
Books Closure Date	11 March 2021
Payment Date	31 March 2021



Robust Financial Position

As at 31 December 2020

SGD million

Investment Properties	943.2
Total Assets	995.1
Total Liabilities	382.7
Net Assets	612.4
Net Asset Value Per Unit ¹	S\$0.86



1. Based on Net assets attributable to Unitholders.



Capital Management

As at 31 December 2020

Aggregated borrowings drawn down
S\$ 294.8 mil

Gearing Ratio¹
35.7 %

Average Cost of Debt²
4.1 %

Interest Coverage Ratio³
2.3 x

- More than 80% of borrowings are denominated in Singapore dollars and US dollars (“Offshore”).
- About 60% of offshore loans hedged via interest rate swaps.



1. Based on total loans and borrowings principal attributable to Unitholders divided by total assets attributable to Unitholders. MAS gearing ratio was revised 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 4.9% per annum if amortisation of loan establishment and other related fees are included.
3. Interest Coverage Ratio is calculated by dividing the trailing 12 months adjusted EBITDA by the trailing 12 months interest expense (inclusive of amortisation of transaction costs).



Portfolio Update



Photo of Hefei Mengchenglu



Portfolio Overview

MULTI-TENANTED



Beijing Wanliu
北京万柳



Hefei Mengchenglu
合肥蒙城路



Chengdu Konggang
成都空港



Hefei Changjiangxilu
合肥长江西路



MASTER-LEASED



Xining Huayuan
西宁花园



Dalian Jinsanjiao
大连金三角



Portfolio Overview¹

6
Properties

4,659.0
(RMB million)
Valuation²

179,544
Net Lettable Area
(NLA)

93.5%
Committed
Occupancy Rate

6.9 Years
Weight Ave. Lease
Expiry by NLA

	Beijing Wanliu	Chengdu Konggang	Hefei Mengchenglu	Hefei Changjiangxilu	Xining Huayuan	Dalian Jinsanjiao
Valuation ² (RMB million)	2,502.0 ³	661.0	582.0	475.0	274.0	165.0
NLA (sqm)	52,732	39,646	23,653	27,361	20,807	15,345
Committed Occupancy Rate	92.7%	96.4%	81.7%	92.4%	100.0%	100.0%
WALE (NLA) years	3.9	3.6	4.7	5.0	14.0	14.0

1 As at 31 December 2020.

2 Based on independent valuation from Knight Frank Petty Limited as at 31 December 2020.

3 Based on 60% interest of Beijing Wanliu, valuation of the mall amounted to RMB 1,501.2 million.

● Multi-tenanted
● Master-leased



Occupancy Rate & Leasing Demand Remain High

● Multi-tenanted ● Master-leased

Occupancy Rate	31 Dec 2019	31 Mar 2020	30 Jun 2020	30 Sep 2020	31 Dec 2020
Beijing Wanliu	96.2%	95.0%	93.7%	93.0%	92.7%
Chengdu Konggang	94.7%	91.2%	88.8%	90.8%	96.4%
Hefei Mengchenglu	95.1%	92.0%	89.9%	78.4%	81.7%
Hefei Changjiangxilu	97.6%	94.3%	90.0%	89.3%	92.4%
Xining Huayuan	100%	100%	100%	100%	100%
Dalian Jinsanjiao	100%	100%	100%	100%	100%
Portfolio (NLA Weighted)	96.7%	94.7%	92.9%	91.5%	93.5%



Lease Expiry Profile

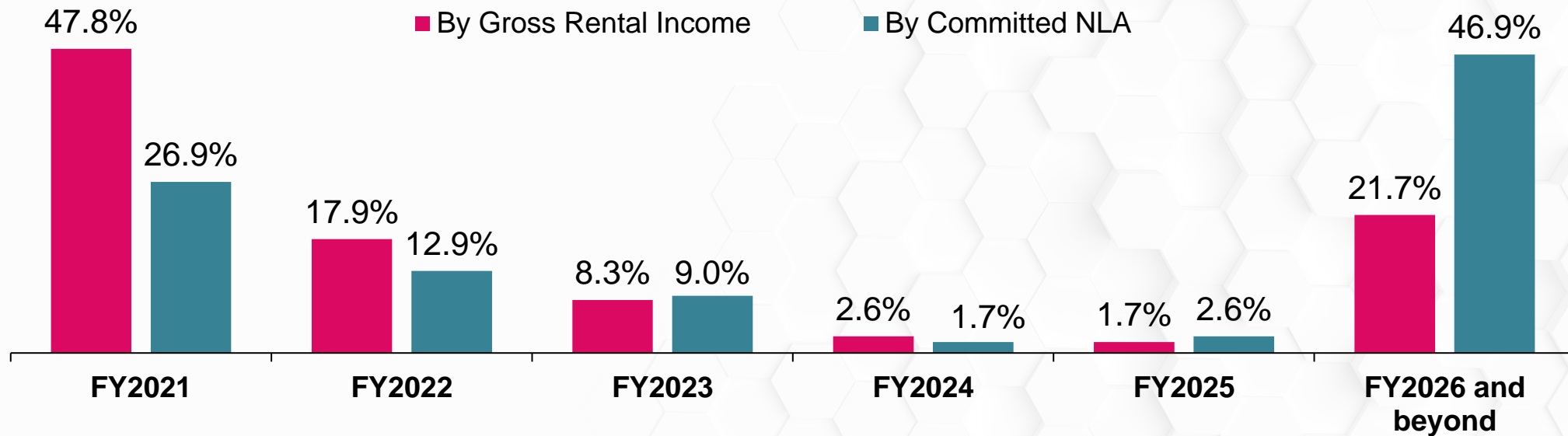
**Weighted average lease expiry (WALE)
as at 31 December 2020**

By Gross Rental Income: 3.8 years

By Committed NLA: 6.9 years



Lease Expiry Profile as at 31 December 2020



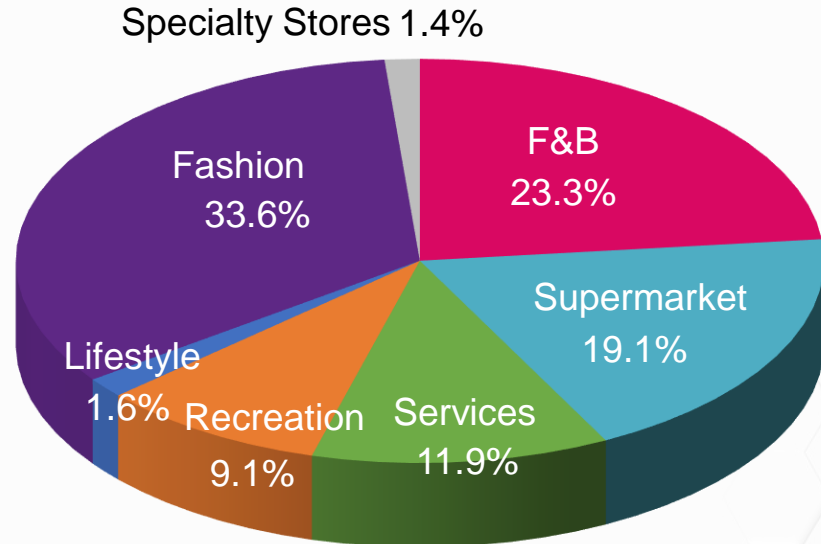


Diversified Portfolio Tenant Mix

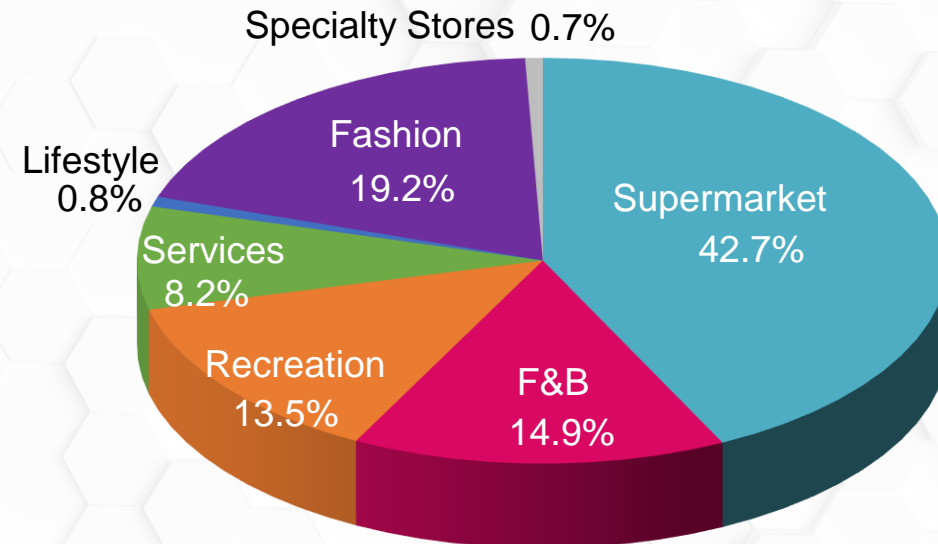
About 65% of Gross Rental Income and 80% of Net Lettable Area from experiential segment (exclude fashion and specialty stores)

As at 31 December 2020

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



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





Refining Offerings. Driving Rental Growth.

Supermarket Resizing Exercise @ Beijing Wanliu Basement One

- Reduced supermarket's area from 7,231.8 sqm to 4,180.3 sqm, added 19 new retail & F&B tenants.
- Increased the mall's the variety of retail & F&B offerings, invigorated the recovered area, and gave the enhanced cluster a renewed appearance.
- Notable growth in average rent & rental income.



Photo of Xian He Zhuang 贤合庄
@ Beijing Wanliu B1



Photo of Miniso @ Beijing Wanliu B1



Photo of Beijing Wanliu B1

Enhance Accessibility. Invigorate Community Space.

Beijing Wanliu Basement One Asset Enhancement Exercise

Enhanced accessibility & traffic flow
between level one (L1) and basement one (B1)

Additional Stairway Access From L1 to B1



Installation of Additional Set of Escalators



- ✓ New LED Media Panel Pillar
- ✓ Ancillary visual enhancements





Refreshed Tenancies & Concepts @ Beijing Wanliu

Costa Coffee's New Collaboration with "RDV" (An Experiential Bookstore)



SKIMAN (Ski Simulator & Training)



Starbucks Coffee (New Brand)



Jiu Tian Home 九田家 (料理.烧烤)





Night Market @ Chengdu Konggang



- Officially launched outdoor night market on 1st Oct 2020, in addition to the container-style food lane.
- In response to Chinese government's guidance to boost "Night Economy 夜间经济", as most sales are typically generated between 6pm and 10pm.
- Ushered in 13 unique tenants providing F&B eateries as well as culturally innovative products.
- Added about 120 square meters of lettable area.
- Further enhanced the vibrancy, visibility and appeal of the mall to surrounding community.
- Enriched the exterior's content and F&B selections.





Marketing Events



Live Broadcast: Internet Celebrity Shares About Beijing Wanliu's Offerings



Community Seniors Performance @ Hefei Changjiangxilu



Chinese Chess 象棋 Competition @ Beijing Wanliu



Winter Season Fashion Runway Event @ Chengdu Konggang



Marketing Events



Street-Dance Competition @ Chengdu Konggang



Celebrity Meeting Session @ Hefei Changjiangxilu



Parenting Seminar @ Chengdu Konggang



Halloween Party @ Beijing Wanliu



Marketing Events

Children-Focused Events





Staying Connected with Omnichannel Visitors

BHG Mall Launched E-Commerce Platform. Sharing Online Capability Across All BHG Malls.

Select Mall

北京 其他地区

当前门店: 暂无当前门店信息请自选门店

北京华联公益西桥购物中心	44
北京华联亦庄力宝购物中心	44
北京华联万柳购物中心	44
北京华联天时尚苑购物中心	44
北京华联常营购物中心	44
北京华联肖家河购物中心	44
北京华联武夷花园购物中心	44

自动积分 每日签到 门店活动 积分换礼 积分抽奖

新会员专区 限时抢购

全部 美食 娱乐 生活 购物

B1 遛弯儿市集 B1全新亮相 免费领 立即领取

F1 麦当劳 麦辣鸡翅一对 ¥5 原价11.5 免费领 立即领取

会员 品牌 停车 商城 我的

- The BHG Mall online platform is launched amid COVID-19 via Wechat Mini-Program.
- Keep customers apprise of promotions & events.
- Provide a convenient and regular way for customers to stay connected with our malls.
- Reward points to enhance customers' loyalty to both BHG malls as well as retailers.
- Customers can conveniently snap a photo of receipts and upload them to receive reward points.



Alipay presents Beijing Wanliu with “Digital Innovation Collaboration Awards”

- Established “Beijing Wanliu – Alipay joint membership card”, which allows joint accumulation of points and vouchers redemption system.
- Uses Alipay’s live broadcast/streaming data analysis (of sales, traffic, photo analysis etc), to accurately determine customers’ base profile as well as competitor malls’ customers’ profile comparison.





Looking Forward

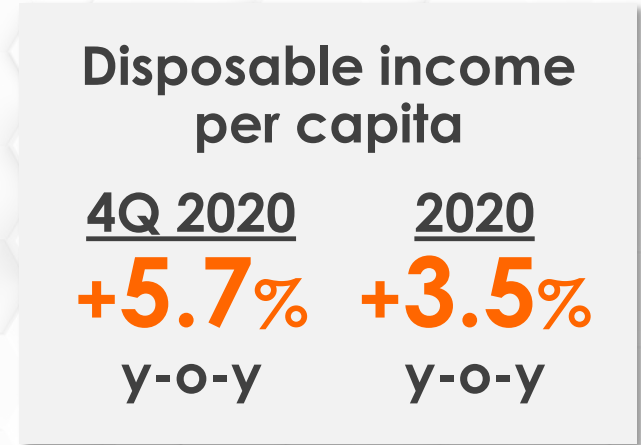


China's COVID-19 Economic Recovery in 2020

- China's gross domestic product¹ ("GDP") grew 6.5% in the fourth quarter ("4Q 2020") and 2.3% year-on-year ("y-o-y") for full year 2020 ("2020").



- Disposable income per capita¹ of urban residents grew 5.7% in the 4Q 2020 and 3.5% year-on-year in 2020.
- Retail sales¹ of consumer goods were up 4.6% year-on-year for the 4Q 2020, and down 3.9% year-on-year for the 2020. According to CBRE², retail activity continued to head along the recovery track, with shopping mall footfall back at 86% of pre-pandemic levels during National Day in October. Stronger leasing demand was observed.



1. Source: National Bureau of Statistics of China.
2. Source: CBRE Market View.



Looking Forward

Notwithstanding this near-term headwind, 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 high 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.





Disclaimer

Certain statements made in this presentation may not be based on historical information or facts and may constitute “forward-looking” statements (including forward-looking financial information). Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements and/or financial information as a result of a number of factors, risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, the present and future business strategies, the environment in which BHG Retail REIT will operate in the future, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements and/or financial information, as these statements and/or financial information reflect the Manager’s current views concerning future events and necessarily involve risks, uncertainties and assumptions.

The information contained in this presentation has not been independently verified. No representation or warranty, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. Neither BHG Retail Trust Management Pte. Ltd. (the “Manager”) or any of its affiliates, advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

The value of units in BHG Retail REIT (“Units”) and the income derived from them may fall as well as 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 BHG Retail REIT and the Manager is not necessarily indicative of the future performance of BHG Retail REIT and the Manager.

Investors have no right to request the Manager to redeem or purchase their Units while the Units are listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.



Thank you

For further information and enquiries:

BHG Retail Trust Management Pte. Ltd.

Contact: (65) 6805 8283 Email: ir@bhgreit.com

Website: <http://www.bhgreit.com>