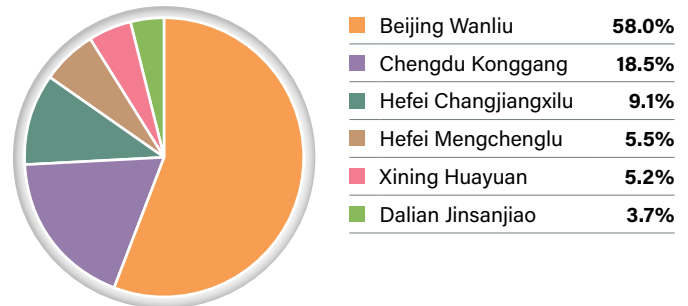


Financial Review

GROSS REVENUE

Gross revenue in RMB and SGD was approximately RMB 2.5 million (0.8%) higher year-on-year and S\$4.5 million (-6.7%) lower year-on-year respectively. The lower gross revenue in SGD term was due mainly to the weakening of RMB against SGD during the period.

BREAKDOWN OF GROSS REVENUE BY PROPERTY^{1,2}



Gross Revenue	RMB'000		S\$'000	
	FY 2023	FY 2022	FY 2023	FY 2022
Multi-tenanted				
Beijing Wanliu	189,328	180,937	35,971	37,136
Chengdu Konggang	60,429	59,517	11,481	12,216
Hefei Changjiangxilu	29,535	34,376	5,611	7,055
Hefei Mengchenglu	17,798	20,516	3,381	4,210
	297,090	295,346	56,444	60,617
Master-leased				
Xining Huayuan	17,109	16,446	3,251	3,375
Dalian Jinsanjiao	12,008	11,888	2,281	2,440
	29,117	28,334	5,532	5,815
Portfolio	326,207	323,680	61,976	66,432

¹ Based on FY 2023 results.

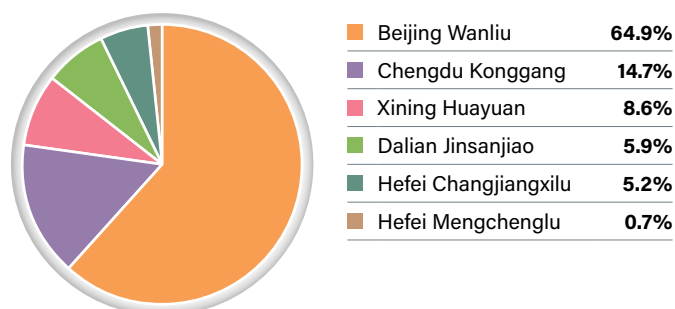
² Based on 100% contribution from Beijing Wanliu.

NET PROPERTY INCOME

Net property income in RMB and SGD was approximately RMB 0.2 million (0.1%) higher year-on-year and S\$2.8 million (-7.3%) lower year-on-year respectively. The lower net property income in SGD term was due mainly to the weakening of RMB against SGD during the period.

Property operating expenses in RMB was RMB 2.3 million (1.7%) higher while property operating expense in SGD was S\$1.7 million (-5.9%) lower year-on-year, due to exchange rate differences. This was mainly due to the lower property tax and property management fees which both are associated with the decline in gross rental income.

BREAKDOWN OF NET PROPERTY INCOME BY PROPERTY^{1,2}



Net Property Income	RMB'000		S\$'000	
	FY 2023	FY 2022	FY 2023	FY 2022
Multi-tenanted				
Beijing Wanliu	119,375	113,494	22,680	23,293
Chengdu Konggang	27,158	28,876	5,160	5,926
Hefei Changjiangxilu	9,552	13,148	1,815	2,698
Hefei Mengchenglu	1,206	2,483	229	510
	157,291	158,001	29,884	32,427
Master-leased				
Xining Huayuan	15,769	15,052	2,996	3,090
Dalian Jinsanjiao	10,958	10,768	2,082	2,210
	26,727	25,820	5,078	5,300
Portfolio	184,018	183,821	34,962	37,727

¹ Based on FY 2023 results.

² Based on 100% contribution from Beijing Wanliu.

Financial Review

DISTRIBUTION

Based on the closing price of S\$0.465 as at 31 December 2023 and aggregated distribution per unit ("DPU") for FY 2023 of 0.43 Singapore cents, BHG Retail REIT annual distribution yield was 0.9%.

DPU (Singapore Cents)	FY 2023	FY 2022
First Half	0.35	0.76
Second Half	0.08	0.41
Total	0.43	1.17

INDEPENDENT VALUATION OF INVESTMENT PROPERTIES¹

As at 31 December 2023, BHG Retail REIT's investment properties were valued at RMB 4,723.0 million and S\$878.2 million. The valuation represents an increase of RMB 20.0 million (0.4%) from the independent valuation as at 31 December 2022 of RMB 4,703.0 million.

Investment Properties (millions)	RMB		S\$	
	2023	2022	2023	2022
Beijing Wanliu	2,551.0	2,527.0	474.3	490.2
Chengdu Konggang	674.0	667.0	125.3	129.3
Hefei Mengchenglu	587.0	587.0	109.2	113.9
Hefei Changjiangxilu	483.0	483.0	89.8	93.7
Xining Huayuan	266.0	274.0	49.5	53.1
Dalian Jinsanjiao	162.0	165.0	30.1	32.0
Portfolio	4,723.0	4,703.0	878.2	912.2



¹ Based on independent valuation from Colliers International (Hong Kong) Limited as at 31 December 2023.

CAPITAL MANAGEMENT

BHG Retail REIT borrowings include 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 2023, the S\$252.0 million offshore facility was fully drawn down, while RMB 178.5 million and RMB 84.8 million were drawn down from RMB 192.5 million and RMB 104.5 million onshore facilities respectively.

On 16 April 2020, the MAS announced that the gearing ratio limit for S-REITs will be raised from 45% to 50% with immediate effect. As at 1 January 2022, S-REITs are required to have a minimum Interest Coverage Ratio ("ICR") of 2.5 time before they are allowed to increase their leverage to beyond the prevailing 45% limit (up to 50%).

As at 31 December 2023, borrowings drawn down of S\$302.4 million represented a gearing of 39.9%¹, which is an increase in aggregate leverage compared to 37.7% in FY 2022.

The Manager is of the view that the increase in aggregate leverage would not significantly impact the risk profile of the REIT and its subsidiaries due to the debt headroom and the overall valuation of

the investment properties has increased as at 31 December 2023 as compared to the overall valuation as at 31 December 2022.

The REIT continually monitors its gearing ratio and maintains it within the approved limits so it provides debt headroom to facilitate any potential acquisition growth. More than 80% of borrowings are denominated in Singapore dollars, and of which, about 50% of offshore syndicated borrowings are hedged via interest rate swaps. Weighted average term to maturity was 1.2 years as at 31 December 2023.

Key Financial Indicators

As at 31 December 2023

Gearing ¹	39.9%
Interest Coverage Ratio (times) ²	1.8
Weighted average term to maturity (years)	1.2
Average cost of debt ³	5.6%

¹ Based on total loans and borrowings principal 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 The adjusted ICR is the same as ICR.

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