

**BHG Retail REIT and its Subsidiaries**  
**(Constituted in the Republic of Singapore pursuant**  
**to a Trust Deed dated 18 November 2015)**

Unaudited Interim Financial Information  
Six-month period ended 30 June 2021

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**Statements of Financial Position**  
**As at 30 June 2021**

	Note	Group		REIT	
		30/6/2021 S\$'000	31/12/2020 S\$'000	30/6/2021 S\$'000	31/12/2020 S\$'000
<b>Non-current assets</b>					
Investment properties	3	970,090	943,187	–	–
Plant and equipment		764	702	–	–
Interests in subsidiaries		–	–	590,783	591,646
Trade and other receivables		33	–	–	–
Deferred tax assets		62	47	–	–
		<u>970,949</u>	<u>943,936</u>	<u>590,783</u>	<u>591,646</u>
<b>Current assets</b>					
Trade and other receivables		2,707	2,947	665	589
Cash and cash equivalents	4	49,553	48,272	4,535	4,159
		<u>52,260</u>	<u>51,219</u>	<u>5,200</u>	<u>4,748</u>
<b>Total assets</b>		<u>1,023,209</u>	<u>995,155</u>	<u>595,983</u>	<u>596,394</u>
<b>Non-current liabilities</b>					
Loans and borrowings	5	–	282,320	–	232,595
Trade and other payables		1,327	2,077	58,073	54,276
Security deposits		8,288	6,298	–	–
Deferred tax liabilities		40,463	39,157	–	–
Derivative liabilities	6	–	3,302	–	3,302
		<u>50,078</u>	<u>333,154</u>	<u>58,073</u>	<u>290,173</u>
<b>Current liabilities</b>					
Loans and borrowings	5	294,593	9,315	242,963	8,101
Trade and other payables		23,686	26,049	10,902	9,394
Security deposits		12,646	12,913	–	–
Current tax liabilities		1,904	1,281	–	–
Derivative liabilities	6	2,031	–	2,031	–
		<u>334,860</u>	<u>49,558</u>	<u>255,896</u>	<u>17,495</u>
<b>Total liabilities</b>		<u>384,938</u>	<u>382,712</u>	<u>313,969</u>	<u>307,668</u>
<b>Net assets</b>		<u>638,271</u>	<u>612,443</u>	<u>282,014</u>	<u>288,726</u>
<b>Represented by:</b>					
Unitholders' funds		456,980	439,256	282,014	288,726
Non-controlling interests		181,291	173,187	–	–
		<u>638,271</u>	<u>612,443</u>	<u>282,014</u>	<u>288,726</u>
<b>Units in issue ('000)</b>	7	<u>512,450</u>	<u>511,718</u>	<u>512,450</u>	<u>511,718</u>

**Statement of Total Return**  
**Six-month period ended 30 June 2021**

	<b>Note</b>	<b>Group</b>	
		<b>Six-month period ended 30/6/2021 S\$'000</b>	<b>Six-month period ended 30/6/2020 S\$'000</b>
Gross Revenue		34,333	27,801
Property operating expenses		(13,705)	(11,274)
<b>Net property income</b>		<u>20,628</u>	<u>16,527</u>
Other income		414	98
Manager's base fee		(769)	(480)
Manager's performance fee		(534)	–
Trustee's fees		(79)	(77)
Other expenses		(518)	(506)
Finance income		65	1
Foreign exchange gain/(loss) - realised		261	(79)
Finance cost		(6,939)	(7,127)
<b>Total return before change in fair value of investment properties and unrealised foreign exchange loss</b>		<u>12,529</u>	<u>8,357</u>
Foreign exchange loss - unrealised		(1,025)	(2,119)
<b>Total return for the period before taxation</b>		<u>11,504</u>	<u>6,238</u>
Taxation	10	(3,732)	(2,447)
<b>Total return for the period after taxation</b>		<u>7,772</u>	<u>3,791</u>
<b>Attributable to:</b>			
Unitholders		4,093	896
Non-controlling interests		3,679	2,895
<b>Total return for the period after taxation</b>		<u>7,772</u>	<u>3,791</u>
<b>Earnings per Unit (cents)</b>	11		
- Basic		0.80	0.18
- Diluted		<u>0.80</u>	<u>0.18</u>

**Distribution Statement**  
**Six-month period ended 30 June 2021**

	<b>Group</b>	
	<b>Six-month period ended 30/6/2021 S\$'000</b>	<b>Six-month period ended 30/6/2020 S\$'000</b>
<b>Amount available for distribution to Unitholders at beginning of the period</b>	5,336	7,957
Total return for the period attributable to Unitholders	4,093	896
Distribution adjustments (Note A)	2,298	3,904
Income for the period available for distribution to Unitholders	6,391	4,800
Amount retained <sup>(1)</sup>	(639)	(480)
Income for the period to be distributed to Unitholders	5,752	4,320
<b>Distribution to Unitholders during the period:</b>		
- Distribution of 1.79 cents per Unit for period from 1 July 2019 to 31 December 2019	-	(7,779)
- Distribution of 1.06 cents per Unit for period from 1 July 2020 to 31 December 2020	(5,163)	-
	(5,163)	(7,779)
<b>Amount available for distribution to Unitholders at end of the period</b>	5,925	4,498
<b>Distribution per unit (cents) <sup>(2)</sup></b>	1.12	0.89

<sup>(1)</sup> For the period ended 30 June 2021, approximately S\$0.6 million (30 June 2020: S\$0.5 million) of the amount available for distribution has been retained for operational expenses and working capital requirements of the REIT.

<sup>(2)</sup> The distribution per unit relates to the distributions in respect of the relevant financial period.

The distribution relating to 1 January 2021 to 30 June 2021 will be paid within 90 days from the end of the distribution period, in accordance with the provisions of the Trust Deed.

The amount of distributions waived, attributable to the strategic investor Units, for the period ended 30 June 2020 amounted to approximately S\$1.2 million.

**Distribution Statement (cont'd)**  
**Six-month period ended 30 June 2021**

*Note A – Distribution adjustments*

	<b>Group</b>	
	<b>Six-month period ended 30/6/2021 S\$'000</b>	<b>Six-month period ended 30/6/2020 S\$'000</b>
<b>Distribution adjustment items:</b>		
- Amortisation of debt establishment costs	1,233	1,177
- Deferred taxation <sup>(1)</sup>	301	194
- Manager's management fees paid/payable in Units	–	480
- Property Manager's management fees paid/payable in Units	407	353
- Transfer to statutory reserve	(700)	(467)
- Other adjustments <sup>(1)</sup>	1,057	2,167
<b>Net effect of distribution adjustments</b>	<b>2,298</b>	<b>3,904</b>

<sup>(1)</sup> Excludes share attributable to non-controlling interests

**Statements of Movements in Unitholders' Funds**  
**Six-month period ended 30 June 2021**

	<b>Group</b>		<b>REIT</b>	
	<b>Six-month period ended 30/6/2021 S\$'000</b>	<b>Six-month period ended 30/6/2020 S\$'000</b>	<b>Six-month period ended 30/6/2021 S\$'000</b>	<b>Six-month period ended 30/6/2020 S\$'000</b>
<b>Unitholders' funds as at beginning of the period</b>	439,256	422,517	288,726	316,922
<b>Operations</b>				
Total return for the period after taxation attributable to Unitholders	4,093	896	(3,227)	(12,802)
Transfer to statutory reserve	(700)	(395)	–	–
<b>Net increase/(decrease) in net assets resulting from operations</b>	<b>3,393</b>	<b>501</b>	<b>(3,227)</b>	<b>(12,802)</b>
<b>Hedging reserve</b>				
Effective portion of changes in fair value of cash flow hedges	1,271	(2,806)	1,271	(2,806)
<b>Foreign currency translation reserve</b>				
Translation differences from financial statements of foreign operations	17,116	11,552	–	–
<b>Statutory reserve</b>				
Transfer from operations	700	395	–	–
<b>Unitholders' transactions</b>				
Creation of Units paid/payable to manager				
- Units issued and to be issued as satisfaction of the portion of Manager's management fees payable in Units	–	480	–	480
- Units issued and to be issued as satisfaction of the portion of Property Manager's management fees payable in Units	407	353	407	353
Distributions to Unitholders	(5,163)	(7,779)	(5,163)	(7,779)
	(4,756)	(6,946)	(4,756)	(6,946)
<b>Unitholders' funds as at end of the period</b>	<b>456,980</b>	<b>425,213</b>	<b>282,014</b>	<b>294,368</b>

**Portfolio Statement**  
**As at 30 June 2021**

Group	Description of leasehold property	Location	Term of lease (years)	Lease expiry	Valuation as at		Valuation as at		Percentage of Unitholders' funds	
					30/6/2021 RMB'000	31/12/2020 RMB'000	30/6/2021 S\$'000	31/12/2020 S\$'000	30/6/2021 %	31/12/2020 %
	Beijing Wanliu	No.2 Bagou Road, Haidian District, Beijing	29	2044	2,502,000	2,502,000	521,608	506,515	115	115
	Chengdu Konggang	No. 166 Jinhua Road second section, Shuangliu County, Chengdu	31	2047	661,000	661,000	137,892	133,816	30	30
	Hefei Mengchenglu	No.99 Mengcheng Road, Luyang District, Hefei	29	2044	582,000	582,000	120,859	117,822	27	27
	Hefei Changjiangxilu	No. 639 Changjiangxilu Road, Shushan District, Hefei	29	2043	475,000	475,000	98,602	96,161	22	22
	Xining Huayuan	Nos.16-19 Shipo street, Chengzhong District, Xining	33	2048	274,000	274,000	56,878	55,470	12	13
	Dalian Jinsanjiao	No.18 Huadong Road, Ganjingzi District, Dalian	32	2042	165,000	165,000	34,251	33,403	7	8
	Investment properties, at valuation						970,090	943,187	213	215
	Other assets and liabilities (net)						(331,819)	(330,744)	(73)	(75)
	Net assets						638,271	612,443	140	140
	Net assets attributable to non-controlling interests						(181,291)	(173,187)	(40)	(40)
	Net assets attributable to Unitholders						456,980	439,256	100	100



**Statement of Cash Flows**  
**Six-month period ended 30 June 2021**

	Note	Group	
		Six-month period ended 30/6/2021 S\$'000	Six-month period ended 30/6/2020 S\$'000
<b>Cash flows from operating activities</b>			
Total return for the period before taxation		11,504	6,238
Adjustments for:			
Finance income		(65)	(1)
Finance costs		6,939	7,127
Loss on disposal of plant and equipment		1	–
Depreciation of plant and equipment		56	53
Manager's management fees paid/payable in Units	(i)	–	480
Property Manager's management fees paid/payable in Units	(ii)	407	353
Foreign exchange loss – unrealised		1,025	2,119
<b>Operating income before working capital changes</b>		<b>19,867</b>	<b>16,369</b>
<b>Changes in:</b>			
Trade and other receivables		290	(9,865)
Trade and other payables		(78)	822
<b>Cash generated from operating activities</b>		<b>20,079</b>	<b>7,326</b>
Tax paid		(2,846)	(2,349)
<b>Net cash generated from operating activities</b>		<b>17,233</b>	<b>4,977</b>
<b>Cash flows from investing activities</b>			
Capital expenditure on investment properties		(1,354)	(743)
Purchase of plant and equipment		(100)	(80)
Interest received		65	1
<b>Net cash used in investing activities</b>		<b>(1,389)</b>	<b>(822)</b>
<b>Cash flows from financing activities</b>			
Distribution to Unitholders		(5,163)	(7,779)
Dividend paid to non-controlling interests		(4,310)	–
Decrease in restricted cash		–	(15)
Proceeds from borrowings		–	5,000
Repayment of borrowings		(618)	(597)
Net settlement of derivative contracts		(802)	(382)
Payment of transaction costs related to loans and borrowings		(25)	(24)
Interest paid		(4,805)	(6,248)
<b>Net cash used in financing activities</b>		<b>(15,723)</b>	<b>(10,045)</b>

**Statement of Cash Flows (cont'd)**  
**Six-month period ended 30 June 2021**

	<b>Note</b>	<b>Group</b>	
		<b>Six-month period ended 30/6/2021 S\$'000</b>	<b>Six-month period ended 30/6/2020 S\$'000</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		121	(5,890)
Cash and cash equivalents at 1 January		44,226	44,103
Effect of foreign exchange rate changes on cash balances		1,161	1,018
<b>Cash and cash equivalents at 30 June</b>		<b>45,508</b>	<b>39,231</b>

*Notes:*

***Significant non-cash transactions***

- (i) The Manager's management fees for the period was S\$1,303,000 (2020: S\$480,000). As at 30 June 2021, no fees (2020: nil) was paid during the period through the issuance of Units and the remaining S\$1,303,000 will be paid in cash (30 June 2020: S\$480,000 paid through the issuance of 842,000 Units) subsequent to the period end.
  
- (ii) The Property Manager's management fees for the period was S\$407,000 (2020: S\$353,000). As at 30 June 2021, no fees (2020: nil) was paid during the period through the issuance of Units and the remaining S\$407,000 (2020: S\$353,000) will be paid through the issuance of 732,000 (2020: 663,000) Units subsequent to the period end.

## **Notes to the Interim Financial Information**

These notes form an integral part of the interim financial information.

### **1. General**

BHG Retail REIT (the “REIT”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 18 November 2015 (as amended by a first supplemental deed dated 26 March 2018 and a second supplemental deed dated 20 April 2018) (collectively the “Trust Deed”) between BHG Retail Trust Management Pte. Ltd. (the “Manager”) and DBS Trustee Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the REIT held by it or through its subsidiaries (the “Group”) in trust for the holders of units (“Units”) in the REIT.

The REIT was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 11 December 2015 (the “Listing Date”).

The principal activities of the REIT are those relating to investment in a diversified portfolio of income-producing properties located primarily in the People’s Republic of China (“China”) and used primarily for retail purposes.

The principal activities of the subsidiaries are those of investment holding of properties located in China and used for retail purposes.

The consolidated interim financial information (“Financial Information”) relate to the Trust and its subsidiaries (the “Group”).

The Group has entered into several service agreements in relation to the management of the REIT and its property operations. The main fee structures for these services are as follows:

#### **(i) Trustee’s fees**

Pursuant to Clause 15.5 of the Trust Deed, the Trustee’s fees shall not exceed 0.1% per annum of the value of deposited property, subject to a minimum of S\$10,000 per month, excluding out-of-pocket expenses and Goods and Services Tax.

#### **(ii) Manager’s management fees**

The Manager is entitled under Clauses 15.1 of the Trust Deed to the following management fees:

- a base fee of 10% per annum of the annual distributable income; and
- a performance fee of 25% per annum of the difference in distribution per unit (“DPU”) in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

The Manager may elect to receive the management fees in cash or Units or a combination of cash and/or Units (as it may in its sole discretion determine).

**(iii) Property management fees**

Under the property management agreement in respect of each property, the property manager (“Property Manager”) will provide lease management services, property management services and marketing co-ordination services in relation to the property. The Property Manager is entitled to the following fees:

- 2% per annum of the gross revenue of the property;
- 2.5% per annum of the net property income of the property; and
- a one-time lease-up commission of 2 months of fixed rent for securing of new tenants for a tenancy of at least three years, commencing for new tenancies entered into from 1 January 2018.

The property management fees are payable to the Property Manager in the form of cash and/or Units.

**2. Basis of preparation**

The financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice (“RAP”) 7 Reporting Framework for Unit Trusts issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2020. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards (“SFRS”).

The Financial Information does not contain all of the information required for full annual financial statements.

The Financial Information has been prepared on a historical cost basis, except for the investment properties and financial derivatives which are stated at their fair values.

The Financial Information is presented in Singapore dollars which is the Trust’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

The preparation of the financial information in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this Financial Information, significant judgements made by the Manager in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

The accounting policies applied by the Group in this Financial Information are the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2020, except adoption of the revised version of RAP 7 new and revised standards that are effective for annual periods beginning on 1 January 2021. The adoption of these new and revised standards did not have a material impact on the Group's Financial Information.

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing this Financial Information.

### 3. Investment properties

	<b>Group</b>	
	<b>30/6/2021</b>	<b>31/12/2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>
At beginning of the period	943,187	909,021
Additions during the period	1,354	5,249
	944,541	914,270
Changes in fair value	–	(15,036)
Translation differences	25,549	43,953
At end of the period	970,090	943,187

Investment properties comprise retail properties that are held mainly for use by tenants under operating leases. (see Portfolio Statement for details)

#### **Measurement of fair value**

The fair value of investment properties were determined by external independent valuers having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. Valuations of the investment properties are carried out at least once a year. Investment properties were not revalued for the purposes of interim financial reporting as at 30 June 2021. The Manager believes that the carrying amount of the investment properties reflects their respective valuations as at 30 June 2021, and a reassessment will be carried out at year end.

The valuers have considered valuation techniques including the discounted cash flow method, capitalisation approach and/or direct comparison method. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates.

The valuation technique(s) considered by valuers for each property is in line with market practices generally adopted in the jurisdiction in which the property is located.

#### 4. Cash and cash equivalents

	Group		REIT	
	30/6/2021 S\$'000	31/12/2020 S\$'000	30/6/2021 S\$'000	31/12/2020 S\$'000
Cash at banks and in hand	49,553	48,272	4,535	4,159
Restricted cash	(4,045)	(4,045)	(4,045)	(4,045)
Cash and cash equivalents in statement of cash flow	45,508	44,227	490	114

#### 5. Loans and borrowings

	Group		REIT	
	30/6/2021 S\$'000	31/12/2020 S\$'000	30/6/2021 S\$'000	31/12/2020 S\$'000
Unsecured loan	1,101	1,101	1,101	1,101
Secured loans	295,450	293,741	243,761	242,726
Less: Unamortised transaction costs	(1,958)	(3,207)	(1,899)	(3,131)
	294,593	291,635	242,963	240,696
Current	294,593	9,315	242,963	8,101
Non-current	–	282,320	–	232,595
	294,593	291,635	242,963	240,696

#### *Facilities and securities*

The Group has put in place two onshore secured borrowing facilities of RMB 241.0 million and RMB 61.0 million which in total equivalent to S\$51.7 million, and an offshore secured borrowing facility of S\$240.0 million. As at 30 June 2021, both onshore and offshore secured facilities were fully drawn. For the period ended 30 June 2021, the Group had repaid RMB 1.5 million (30 June 2020: RMB 1.5 million) of each of the onshore facilities, in accordance with the facility agreements.

The onshore facilities are collectively secured by a legal mortgage over the Group's investment properties, and a pledge over the receivables of the six (30 June 2020: six) subsidiaries in China.

The offshore facility is secured by way of a charge on 100% REIT's shareholding in the Singapore holding companies, an equity pledge on Petra 1 (China) Mall Pte. Ltd.'s 60% equity interest in Beijing Hualian Wanmao Shopping Mall Management Co., Ltd., and equity pledges on the remaining five (30 June 2020: five) Singapore holding companies' 100% equity interest in the respective subsidiaries in China.

In addition to the above facilities, the REIT has obtained and drawn down from other secured bank facilities an amount totalling S\$5.0 million during the financial period ended 30 June 2020.

## 6. Financial Derivatives

	<b>Group and REIT</b>	
	<b>30/6/2021</b>	<b>31/12/2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Derivative liabilities</b>		
Interest rate swaps used for hedging	2,031	3,302
	<hr/>	<hr/>
Current	2,031	–
Non-current	–	3,302
	<hr/>	<hr/>
	2,031	3,302

### Interest rate swaps

The Group and the REIT use interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing term loans by swapping the interest expense on a proportion of these term loans from floating rates to fixed rates.

Interest rate swaps of the Group and the REIT with a total notional amount of S\$145.0 million (2020: S\$144.3 million) and S\$144.3 million (2020: S\$144.3 million) respectively, have been entered into at the reporting date to provide fixed rate funding for average terms of 3 years (2020: 3 years) at an average interest rate of 1.84% (2020: 1.84%) per annum. These interest rate swaps are designated as hedging instruments in cash flow hedges. The fair value of financial derivatives as represented 0.32% (2020: 0.54%) of the net assets of the Group as at 30 June 2021.

## 7. Units in issue

	<b>30/6/2021</b>	<b>31/12/2020</b>
	<b>Number</b>	<b>Number</b>
	<b>of Units</b>	<b>of Units</b>
	<b>'000</b>	<b>'000</b>
<b>Issue of new Units relating to:</b>		
- as at beginning of the period	510,995	508,458
- payment of Manager's management base fees	–	1,480
- payment of Property Manager's management fees	723	1,057
	<hr/>	<hr/>
	511,718	510,995
<b>Units to be issued:</b>		
- payment of Property Manager's management fees	732	723
	<hr/>	<hr/>
<b>Total Units in issue and to be issued at the end of period</b>	<b>512,450</b>	<b>511,718</b>

## 8. Net asset value per unit

	Group		REIT	
	30/6/2021 S\$'000	31/12/2020 S\$'000	30/6/2021 S\$'000	31/12/2020 S\$'000
Net asset value per Unit is based on:				
Net assets attributable to Unitholders	456,980	439,256	282,014	288,726
Number of Units in issue and to be issued at end of period ('000)	512,450	511,718	512,450	511,718
Net asset value per unit (S\$ cents)	0.89	0.86	0.55	0.56

Net asset value per unit and net tangible asset per unit is the same amount and both are calculated based on the number of units in issue as at the respective period end.

## 9. Total return for the period before taxation

	Group	
	Six-month period ended 30/6/2021 S\$'000	Six-month period ended 30/6/2020 S\$'000
Finance income:		
- financial institutions	65	1
Finance costs:		
- loans and borrowings	(6,939)	(7,127)
<b>Net finance costs recognised in statement of total return</b>	<u>(6,874)</u>	<u>(7,126)</u>
<b>Expenses</b>		
Depreciation	<u>56</u>	<u>53</u>

## 10. Taxation

	Group	
	Six-month period ended 30/6/2021 S\$'000	Six-month period ended 30/6/2020 S\$'000
<b><i>Current taxation</i></b>		
Current year	3,390	2,185
Withholding tax	41	68
	<u>3,431</u>	<u>2,253</u>
<b><i>Deferred taxation</i></b>		
Origination of temporary differences	301	194
<b>Income tax expense</b>	<u>3,732</u>	<u>2,447</u>



## 11. Earnings per Unit

### Basic earnings per Unit

The calculation of basic earnings per Unit is based on weighted average number of Units during the period and total return for the period after taxation and non-controlling interests.

	<b>Group</b>	
	<b>Six-month period ended 30/6/2021 S\$'000</b>	<b>Six-month period ended 30/6/2020 S\$'000</b>
Total return for the period after taxation and non-controlling interests	4,093	896
Issued Units		
- As at beginning of the period	510,995	508,458
- Manager's management fees paid/payable in Units	–	773
- Property Manager's management fees paid/payable in Units	915	563
Weighted average number of issued and issuable Units at end of the period	511,910	509,794

### Diluted earnings per Unit

The calculation of diluted earnings per Unit is based on weighted average number of Units during the period and total return for the period after taxation and non-controlling interests.

	<b>Group</b>	
	<b>Six-month period ended 30/6/2021 S\$'000</b>	<b>Six-month period ended 30/6/2020 S\$'000</b>
Total return for the period after taxation and non-controlling interests	4,093	896
	<b>Number of Units '000</b>	<b>Number of Units '000</b>
Issued Units		
- As at beginning of the period	510,995	508,458
- Manager's management fees paid/payable in Units	–	1,480
- Property Manager's management fees paid/payable in Units	1,455	1,057
Weighted average number of issued and issuable Units at end of the period	512,450	510,995

## 12. Financial ratios

	<b>Group</b>	
	<b>30/6/2021</b>	<b>31/12/2020</b>
	%	%
Ratio of expenses to average net asset value <sup>(1)</sup>		
- excluding performance component of Manager's management fees	0.62	0.52
- including performance component of Manager's management fees	0.85	0.52
Ratio of expenses to net asset value <sup>(2)</sup>	7.00	4.32

Notes:

- <sup>(1)</sup> The annualised ratio is computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group level, excluding property related expenses and borrowing costs.
- <sup>(2)</sup> The annualised ratio is computed based on total operating expenses, including all fees and charges paid to the Manager and related parties for the financial year (2021: S\$31,237,000 and 2020: S\$26,428,000) and as a percentage of net asset value as at the financial year end.

## 13. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## **14. Operating segments**

The Group has 6 (2020: 6) reportable segments, as described below, which are the Group's investment properties. The investment properties are managed separately because they require different operating and marketing strategies. For each of the investment properties, the Chief Operating Decision-Makers ("CODMs") review internal management reports on a monthly basis.

All of the Group's reportable segments are investment properties located in China used primarily for retail purposes. The reporting segments are as follows:

- Beijing Hualian Wanmao Shopping Mall Management Co., Ltd. ("Beijing Wanliu")
- Chengdu Hairong Xingda Real Property Co., Ltd. ("Chengdu Konggang")
- Hefei Hualian Rui An Shopping Mall Commercial Operation Co., Ltd. ("Hefei Mengchenglu")
- Hefei Hualian Ruicheng Shopping Plaza Commercial Operation Ltd. ("Hefei Changjiangxilu")
- Qinghai Xinglian Real Property Co., Ltd. ("Xining Huayuan")
- Dalian Hualian Commercial Facilities Operation Co., Ltd. ("Dalian Jinsanjiao")

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODMs for the purpose of assessment of segment performance. In addition, the CODMs monitor the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the REIT's financial assets and liabilities and its expenses. Segment capital expenditure is the total cost incurred during the year to improve segment assets that are expected to be used for more than one year.

Information regarding the Group's reportable segments is presented in the tables in the following pages.

For the purpose of monitoring segment performance, the Group's CODMs monitor the non-financial assets as well as financial assets attributable to each segment.

**Information about reportable segments**

	<b>Beijing Wanliu SS'000</b>	<b>Chengdu Konggang SS'000</b>	<b>Hefei Mengchenglu SS'000</b>	<b>Hefei Changjiangxilu SS'000</b>	<b>Xining Huayuan SS'000</b>	<b>Dalian Jinsanjiao SS'000</b>	<b>Total SS'000</b>
<b>Six-month period ended 30/6/2021</b>							
<b>External revenues:</b>							
- Gross rental income	17,627	5,668	2,148	3,590	1,730	1,214	31,977
- Others	1,134	592	305	325	–	–	2,356
- Gross revenue	<u>18,761</u>	<u>6,260</u>	<u>2,453</u>	<u>3,915</u>	<u>1,730</u>	<u>1,214</u>	<u>34,333</u>
<b>Segment net property income</b>	<u>12,144</u>	<u>3,331</u>	<u>694</u>	<u>1,755</u>	<u>1,598</u>	<u>1,106</u>	<u>20,628</u>
<b>Finance income</b>	<u>47</u>	<u>676</u>	<u>689</u>	<u>292</u>	<u>140</u>	<u>83</u>	<u>1,927</u>
<b>Finance costs</b>	<u>1,150</u>	<u>314</u>	<u>483</u>	<u>88</u>	<u>–</u>	<u>–</u>	<u>2,035</u>
<b>Reportable segment total return before taxation</b>	<u>11,460</u>	<u>4,436</u>	<u>1,516</u>	<u>2,346</u>	<u>1,724</u>	<u>1,174</u>	<u>22,656</u>
<b>Segment assets</b>	<u>563,060</u>	<u>179,312</u>	<u>155,014</u>	<u>115,185</u>	<u>67,043</u>	<u>42,826</u>	<u>1,122,440</u>
<b>Segment liabilities</b>	<u>295,121</u>	<u>156,475</u>	<u>139,588</u>	<u>81,062</u>	<u>56,420</u>	<u>32,427</u>	<u>761,093</u>
<b>Other segment items:</b>							
Depreciation	11	22	7	16	–	–	56
Capital expenditure	<u>707</u>	<u>674</u>	<u>58</u>	<u>15</u>	<u>–</u>	<u>–</u>	<u>1,454</u>

**Information about reportable segments**

	<b>Beijing Wanliu SS'000</b>	<b>Chengdu Konggang SS'000</b>	<b>Hefei Mengchenglu SS'000</b>	<b>Hefei Changjiangxilu SS'000</b>	<b>Xining Huayuan SS'000</b>	<b>Dalian Jinsanjiao SS'000</b>	<b>Total SS'000</b>
<b>Six-month period ended 30/6/2020</b>							
<b>External revenues:</b>							
- Gross rental income	14,198	3,936	1,999	3,022	1,578	1,108	25,841
- Others	933	529	230	268	–	–	1,960
- Gross revenue	<u>15,131</u>	<u>4,465</u>	<u>2,229</u>	<u>3,290</u>	<u>1,578</u>	<u>1,108</u>	<u>27,801</u>
<b>Segment net property income</b>	<u>9,717</u>	<u>2,085</u>	<u>929</u>	<u>1,311</u>	<u>1,452</u>	<u>1,033</u>	<u>16,527</u>
<b>Finance income</b>	<u>6</u>	<u>1,816</u>	<u>820</u>	<u>154</u>	<u>108</u>	<u>189</u>	<u>3,093</u>
<b>Finance costs</b>	<u>1,133</u>	<u>–</u>	<u>471</u>	<u>35</u>	<u>–</u>	<u>–</u>	<u>1,639</u>
<b>Reportable segment total return before taxation</b>	<u>8,618</u>	<u>4,785</u>	<u>1,867</u>	<u>1,520</u>	<u>1,546</u>	<u>1,208</u>	<u>19,544</u>
<b>Segment assets*</b>	<u>547,832</u>	<u>172,987</u>	<u>150,876</u>	<u>110,618</u>	<u>64,022</u>	<u>40,801</u>	<u>1,087,135</u>
<b>Segment liabilities*</b>	<u>294,406</u>	<u>156,076</u>	<u>139,453</u>	<u>80,033</u>	<u>56,406</u>	<u>32,359</u>	<u>758,733</u>
<b>Other segment items:</b>							
Depreciation	11	23	4	15	–	–	53
Capital expenditure	<u>303</u>	<u>278</u>	<u>225</u>	<u>17</u>	<u>–</u>	<u>–</u>	<u>823</u>

\*Balance as at 31 December 2020 being disclosed for the purpose of reconciliations of reportable segment assets and liabilities

**Reconciliations of reportable segment revenue, total return, assets and liabilities and other material items**

	<b>Six-month period ended 30/6/2021 S\$'000</b>	<b>Six-month period ended 30/6/2020 S\$'000</b>
<b>Revenue</b>		
Total revenue for reporting segments	34,333	27,801
<b>Total return</b>		
Total return for reportable segments before taxation	22,656	19,544
Unallocated amounts:		
- Other corporate expenses	(3,185)	(12,734)
Elimination of intercompany revenue	(7,967)	(572)
Total return before taxation	11,504	6,238

	<b>Reportable segment totals S\$'000</b>	<b>Unallocated amounts S\$'000</b>	<b>Consolidated totals S\$'000</b>
<b>Other material items 30 June 2021</b>			
Finance income	1,927	(1,862)	65
Finance costs	2,035	4,904	6,939

**Other material items 30 June 2020**

Finance income	3,093	(3,092)	1
Finance costs	1,639	5,488	7,127

	<b>Group</b>	
	<b>30/6/2021 S\$'000</b>	<b>31/12/2020 S\$'000</b>
<b>Assets</b>		
Total assets for reportable segments	1,122,440	1,087,135
Other unallocated amounts	595,982	596,394
Elimination of intercompany balances	(695,213)	(688,374)
Consolidated assets	1,023,209	995,155
<b>Liabilities</b>		
Total liabilities for reportable segments	761,093	758,733
Other unallocated amounts	313,968	307,668
Elimination of intercompany balances	(690,123)	(683,689)
Consolidated liabilities	384,938	382,712

**Geographical segments**

All of the Group's investment properties are used for retail purposes and are located in China.

## Other information required by Listing Rule Appendix 7.2

### 1. Explanatory notes to consolidated interim financial information

#### Consolidated Statements of Total Return and Distribution Statement

<b>Statement of Total Return</b>	<b>Six-month period ended 30/6/2021 (S\$'000)</b>	<b>Six-month period ended 30/6/2020 (S\$'000)</b>	<b>Change (%)</b>
Gross revenue	34,333	27,801	23.5
Property operating expenses	(13,705)	(11,274)	21.6
<b>Net property income<sup>(1)</sup></b>	<b>20,628</b>	<b>16,527</b>	<b>24.8</b>
Other income <sup>(2)</sup>	414	98	>100.0
Manager's base fee <sup>(3)</sup>	(769)	(480)	60.2
Manager's performance fee <sup>(3)</sup>	(534)	-	N/M
Trustee's fee	(79)	(77)	2.6
Other expenses	(518)	(506)	2.4
Finance income	65	1	>100.0
Foreign exchange gain/(loss) - realised	261	(79)	>100.0
Finance cost <sup>(4)</sup>	(6,939)	(7,127)	(2.6)
<b>Total return before change in fair value of investment property and unrealised foreign loss</b>	<b>12,529</b>	<b>8,357</b>	<b>49.9</b>
Foreign exchange loss - unrealised	(1,025)	(2,119)	(51.6)
<b>Total return for the period before taxation</b>	<b>11,504</b>	<b>6,238</b>	<b>84.4</b>
Taxation <sup>(5)</sup>	(3,732)	(2,447)	52.5
<b>Total return for the period after taxation</b>	<b>7,772</b>	<b>3,791</b>	<b>&gt;100.0</b>
<b>Attributable to:</b>			
Unitholders	4,093	896	>100.0
Non-controlling interests	3,679	2,895	27.1
<b>Total return for the period after taxation</b>	<b>7,772</b>	<b>3,791</b>	<b>&gt;100.0</b>

#### Distribution Statement

	<b>Six-month period ended 30/6/2021 (S\$'000)</b>	<b>Six-month period ended 30/6/2020 (S\$'000)</b>
Total return for the period attributable to Unitholders	4,093	896
Distribution adjustments (Note A)	2,298	3,904
Income for the period available for distribution to Unitholders	6,391	4,800
Less: Amount retained	(639)	(480)
<b>Income for the period to be distributed to Unitholders</b>	<b>5,752</b>	<b>4,320</b>

	<b>Six-month period ended 30/6/2021 (S\$'000)</b>	<b>Six-month period ended 30/6/2020 (S\$'000)</b>
<u>Note A - Distribution adjustment items:</u>		
- Amortisation of debt establishment costs	1,233	1,177
- Deferred taxation <sup>(a)</sup>	301	194
- Manager's management base fee payable in Units	-	480
- Property management fees payable in Units	407	353
- Transfer to statutory reserve	(700)	(467)
- Other adjustments <sup>(a)</sup>	1,057	2,167
<b>Net effect of distribution adjustments</b>	<b>2,298</b>	<b>3,904</b>

<sup>(a)</sup> Excludes share attributable to non-controlling interests

**Footnotes:**

- (1) Increase in net property income mainly due to there being no rental rebates given to tenants in 1H 2021 while rental rebates were given in 1H 2020
- (2) Other income mainly comprised fine and penalties from tenants, government grant and miscellaneous income.
- (3) Manager's base management fee is calculated as 10.0% per annum of the Distributable Income of the Group. Manager's performance fee is calculated as 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.
- (4) Decrease in finance costs mainly due to floating interest rate having reduced which resulted in the interest cost saving.
- (5) Increase in income tax expenses mainly due to the higher corporate income tax paid by the malls associated with higher profit before tax as compared to the last financial period.



**Consolidated Statements of Financial Position**

	<b>Group</b>		<b>REIT</b>	
	<b>30/6/2021</b>	<b>31/12/2020</b>	<b>30/6/2021</b>	<b>31/12/2020</b>
	<b>(S\$'000)</b>	<b>(S\$'000)</b>	<b>(S\$'000)</b>	<b>(S\$'000)</b>
<b>Non-current assets</b>				
Investment properties <sup>(1)</sup>	970,090	943,187	-	-
Plant and equipment	764	702	-	-
Interest in subsidiaries	-	-	590,783	591,646
Trade and other receivables	33	-	-	-
Deferred tax assets	62	47	-	-
	<b>970,949</b>	<b>943,936</b>	<b>590,783</b>	<b>591,646</b>
<b>Current assets</b>				
Trade and other receivables	2,707	2,947	665	589
Cash and cash equivalents	49,553	48,272	4,535	4,159
	<b>52,260</b>	<b>51,219</b>	<b>5,200</b>	<b>4,748</b>
<b>Total assets</b>	<b>1,023,209</b>	<b>995,155</b>	<b>595,983</b>	<b>596,394</b>
<b>Non-current liabilities</b>				
Loans and borrowings <sup>(2)</sup>	-	282,320	-	232,595
Trade and other payables <sup>(3)</sup>	1,327	2,077	58,073	54,276
Security deposits <sup>(4)</sup>	8,288	6,298	-	-
Deferred tax liabilities	40,463	39,157	-	-
Derivative liabilities <sup>(5)</sup>	-	3,302	-	3,302
	<b>50,078</b>	<b>333,154</b>	<b>58,073</b>	<b>290,173</b>
<b>Current liabilities</b>				
Loans and borrowings <sup>(2)</sup>	294,593	9,315	242,963	8,101
Trade and other payables	23,686	26,049	10,902	9,394
Security deposits	12,646	12,913	-	-
Current tax payable	1,904	1,281	-	-
Derivative liabilities <sup>(5)</sup>	2,031	-	2,031	-
	<b>334,860</b>	<b>49,558</b>	<b>255,896</b>	<b>17,495</b>
<b>Total liabilities</b>	<b>384,938</b>	<b>382,712</b>	<b>313,969</b>	<b>307,668</b>
<b>Net assets</b>	<b>638,271</b>	<b>612,443</b>	<b>282,014</b>	<b>288,726</b>
<b>Represented by:</b>				
Unitholders' funds	456,980	439,256	282,014	288,726
Non-controlling interests ("NCI")	181,291	173,187	-	-
	<b>638,271</b>	<b>612,443</b>	<b>282,014</b>	<b>288,726</b>
<b>Units in issue ('000)</b>	<b>512,450</b>	<b>511,718</b>	<b>512,450</b>	<b>511,718</b>

**Footnotes:**

- (1) The carrying amount of investment properties has increased due mainly to the strengthening of RMB against SGD. Notwithstanding a gradual COVID-19 recovery in China, the effects of the pandemic remains fluid and will continue to evolve in the near-term. Assumptions to derive valuations amid these unprecedented times may be subjective and arbitrary, and the valuation process will contain valuation uncertainties. In accordance with the Code of Collective Investment Schemes, we conduct independent fair valuation of our investment properties annually at the end of each financial year. The Manager believes that the carrying amount of the investment properties reflects their respective valuations as at 30 June 2021, and a reassessment will be carried out at year-end.
- (2) Loans and borrowings are measured at amortised cost. Increase in loans and borrowings was mainly due to the foreign exchange rates fluctuation on loans denominated in foreign currencies. The REIT has reclassified all the loans and borrowings from non-current liabilities to current liabilities as these are due within a year.
- (3) The REIT arranged more long-term interest-bearing loans from its subsidiaries as compared to the last financial year. These loans are mainly used for the REIT's distribution payment and interest expenses.
- (4) Increase in long term security deposits was mainly due to the receipt of more security deposits from new and existing tenants with higher rents and leases term of more than a year.
- (5) These relate to the fair value of the interest rate swaps entered into by the REIT, which are designated to hedge the variable rate borrowings.

**Consolidated Statement of Cash Flows**

	<b>Six-month period ended 30/6/2021 (S\$'000)</b>	<b>Six-month period ended 30/6/2020 (S\$'000)</b>
<b>Cash flows from operating activities</b>		
Total return for the period before taxation	11,504	6,238
Adjustments for:		
Finance income	(65)	(1)
Finance cost	6,939	7,127
Loss on disposal of plant and equipment	1	-
Depreciation of plant and equipment	56	53
Manager's management fees paid/payable in Units	-	480
Property Manager's management fees paid/payable in Units	407	353
Foreign exchange loss - unrealized	1,025	2,119
<b>Operating income before working capital changes</b>	<b>19,867</b>	<b>16,369</b>
<b>Changes in:</b>		
Trade and other receivables <sup>(1)</sup>	290	(9,865)
Trade and other payables	(78)	822
<b>Cash generated from operating activities</b>	<b>20,079</b>	<b>7,326</b>
Tax paid	(2,846)	(2,349)
<b>Net cash generated from operating activities</b>	<b>17,233</b>	<b>4,977</b>
<b>Cash flows from investing activities</b>		
Capital expenditure on investment properties	(1,354)	(743)
Purchase of plant and equipment	(100)	(80)
Interest received	65	1
<b>Net cash used in investing activities</b>	<b>(1,389)</b>	<b>(822)</b>
<b>Cash flows from financing activities</b>		
Distribution to unitholders	(5,163)	(7,779)
Dividend paid to non-controlling interests <sup>(2)</sup>	(4,310)	-
Decrease in restricted cash	-	(15)
Proceeds from borrowings	-	5,000
Repayment of borrowings	(618)	(597)
Net settlement of derivative contracts	(802)	(382)
Payment of transaction costs related to loans and borrowings	(25)	(24)
Interest paid	(4,805)	(6,248)
<b>Net cash used in financing activities</b>	<b>(15,723)</b>	<b>(10,045)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>121</b>	<b>(5,890)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>44,226</b>	<b>44,103</b>
<b>Effect of foreign exchange rate changes on cash balances</b>	<b>1,161</b>	<b>1,018</b>
<b>Cash and cash equivalents at 30 June<sup>(3)</sup></b>	<b>45,508</b>	<b>39,231</b>

**Footnotes:**

- (1) Increase in trade and other receivables was mainly due to an improvement on the rents collection as compared to the last financial period whereby there was higher outstanding rents from tenants who were impacted by the COVID-19 pandemic.
- (2) This is pertaining to payment of dividend relating to financial year 2019 to non-controlling shareholder by Beijing's subsidiary during 1H 2021.
- (3) For the purpose of the Consolidated Statement of Cash Flows, the cash and cash equivalents comprised the following:

	<b>Group</b>	
	<b>Six-month period ended 30/6/2021</b>	<b>Six-month period ended 30/6/2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank and cash balances	49,553	42,176
Less: Restricted cash	(4,045)	(2,945)
Cash and cash equivalents of cash flows statement	<b>45,508</b>	<b>39,231</b>

Restricted cash relates to cash balances which are used to secure bank borrowings.

**2. Review of the performance of the Group**

Gross revenue in 1H 2021 was S\$34.3 million, which was S\$6.5 million or 23.5% higher than in 1H 2020 (S\$27.8 million). This was mainly due to there being no rental rebates given to tenants in 1H 2021 while rental rebates were given in 1H 2020. In addition, the portfolio occupancy rate was 93.0% as at 30 June 2021, higher than 92.9% as at 30 June 2020. Property operating expenses in 1H 2021 was S\$13.7 million, which was S\$2.4 million or 21.6% higher than in 1H 2020 (S\$11.3 million). This was mainly due to the gradual resumption of malls' normal operations and the absence of COVID-19 subsidies from the government. As such, the net property income in 1H 2021 was S\$20.6 million, which was S\$4.1 million or 24.8% higher than in 1H 2020 (S\$16.5 million).

Finance costs in 1H 2021 was S\$6.9 million, which was S\$0.2 million or 2.6% lower than 1H 2020 (S\$7.1 million). This was mainly due to the floating interest rate having reduced which resulted in the interest cost saving.

Amount to be distributed to Unitholders in 1H 2021 was S\$5.8 million, which was S\$1.4 million or 33.1% higher than 1H 2020 (S\$4.3 million). Approximately S\$0.6 million in 1H 2021 (1H 2020: S\$0.5 million) of the amount available for distribution in 1H 2021 had been retained for the purpose of operating expenses and working capital requirements of the REIT.

**3. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by our auditors.

**4. Where the figures have been audited or reviewed, the auditors' report(including any qualifications or emphasis of matter)**

Not applicable.

**5. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

**6. Variance from the previous forecast or prospect statement**

The Group has not disclosed any forecast to the market.

**7. Commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

China's economy underwent a sound recovery momentum in the first half 2021 ("1H 2021"). Gross domestic product<sup>1</sup> ("GDP") grew 12.7% year-on-year to RMB 53.2 trillion in 1H 2021. The average<sup>2</sup> two-year growth for 1H 2021 was 5.3% year-on-year. GDP growth for 1Q 2021 and 2Q 2021 were 18.3% and 7.9% year-on-year, respectively. According to the Chinese authorities, the nation's economy is expected to maintain its recovery trend in the second half and achieve a full year economic expansion of over 6% in 2021.

Retail sales<sup>1</sup> of consumer goods rose 23.0% year-on-year to RMB 21.2 trillion in 1H 2021. The average<sup>2</sup> two-year growth for 1H 2021 was 4.4% year-on-year. Retail sales of consumer goods growth for 1Q 2021 and 2Q 2021 were 33.9% and 13.9% year-on-year, respectively. According to CBRE<sup>3</sup>, recovery in offline sales accelerated. Leasing activity is expected to improve further in the coming months, supported by the full recovery of consumer sentiment. Demand will be led by New Energy Vehicle (NEV) manufacturers, coffee and tea outlets and sporting goods and cosmetics retailers.

Chinese residents' income continued to grow in 1H 2021. Disposable income per capita<sup>1</sup> of urban residents grew 12.6% year-on-year in 1H 2021. The average<sup>2</sup> two-year growth for 1H 2021 was 7.4% year-on-year. Employment remained stable, with the surveyed urban unemployment rate maintaining at 5.0% (Dec 2019: 5.2%).

During the annual 'Two Sessions' held in March 2021, the Chinese authorities<sup>4</sup> reiterated that domestic consumption shall remain the cornerstone of China's economic development in the years ahead. The authorities will foster a new development pattern, generate new demand with innovation-driven development and stimulate consumption in all sectors. A reserve requirement ratio<sup>5</sup> cut was

announced in July 2021, releasing around RMB 1 trillion in long-term liquidity to facilitate developments and further support China's economic growth.

In tandem with China's ongoing transition towards a full recovery, BHG Retail REIT has made commendable recovery in 1H 2021. Looking ahead, the Manager will remain sensitive to evolving retail trends, continue to rejuvenate our offerings, so as to maintain the malls' relevancy to our consumers.

**Footnotes:**

1. Source: National Bureau of Statistics of China.
2. The National Bureau of Statistics of China has disclosed the "average two-year growth rate (year-on-year)", in light of irregular fluctuations arising from the COVID outbreak in 2020. The average two-year growth (year-on-year) is the geometric mean of the growth with the data of the same period in 2019 as the base (ie 2019 vis-à-vis 2020, and 2020 vis-à-vis 2021).
3. Source: CBRE Market View.
4. Source: State Council of the People's Republic of China.
5. Source: The People's Bank of China (PBOC).

**8. Distribution**

**(a) Current financial period**

Any distribution declared for the current financial period? Yes

Distribution period : 1 January 2021 to 30 June 2021

Distribution rate : 1.12 cents per unit

Distribution type : Capital distribution

Tax rate : Capital distribution represents a return of capital to Unitholders for Singapore income tax purpose and is therefore not subject to income tax. For Unitholders who hold the Units as trading assets, the amount of capital gain distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

Remark : The capital distribution from 1 January 2021 to 30 June 2021 is expected to be funded by internal cash flow from operations.

**(b) Corresponding period of the immediately preceding financial period**

Any distributions declared for the corresponding period of the immediate preceding financial periods? Yes

Distribution period : 1 January 2020 to 30 June 2020

Distribution rate : 0.89 cents per unit

Distribution type : Capital distribution

**(c) Date payable** : 28 September 2021

**(d) Book closure date** : 10 September 2021

**9. If no distribution has been declared/recommended, a statement to that effect.**

Not Applicable.

**10. Interested person transactions**

**If the Group has obtained a general mandate from Unitholders for interested person transactions (“IPT”), the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from Unitholders for IPT.

**11. Confirmation pursuant to Rule 720(1) of the Listing Manual**

The Manager confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual.

**12. Confirmation pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial results of the Group and the REIT (comprising the statement of financial position as at 30 June 2021, statement of total return and distribution statement, statement of cash flow and statement of movements in Unitholders’ funds for the six-month period ended on that date), together with their accompanying notes, to be false or misleading, in any material respect.

On behalf of the Board of the Manager

Francis Siu Wai Keung  
Chairman

Ben Yeo Chee Seong  
Director

*This release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental, public policy changes, and the continued availability of financing. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.*

*The value of units in the REIT ("Units") and the income derived from them, if any, may fall or 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 the Group is not necessarily indicative of the future performance of the Group.*

*Investors should note that they have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.*

By Order of the Board

Zhan Aijuan  
Company Secretary

**BHG Retail Trust Management Pte. Ltd.**  
(Company registration no. 201504222D)  
(as Manager of BHG Retail REIT)

12 August 2021