

Introduction to BHG Retail REIT

CGS International Securities Singapore

August 2024



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- Overview
- Investment Overview
- Looking Forward



Photo of Hefei Mengchenglu

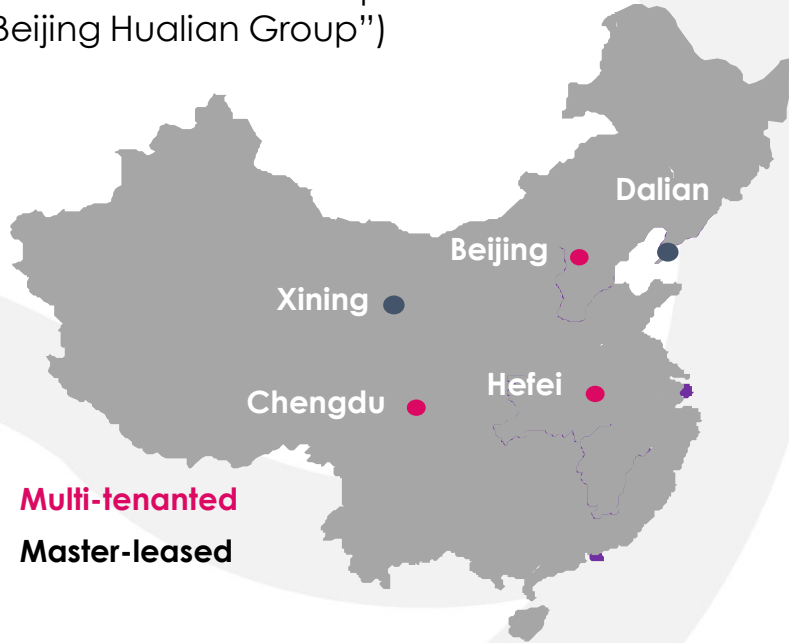
Brief Introduction

Listed on SGX Mainboard
on the 11 December 2015

Singapore's First Pure-Play China
Retail REIT Established
By A China-Based Group
("Beijing Hualian Group")

Investment Mandate

Income-producing real estate used primarily for retail purposes, with an initial focus on China



Number of
Properties
6

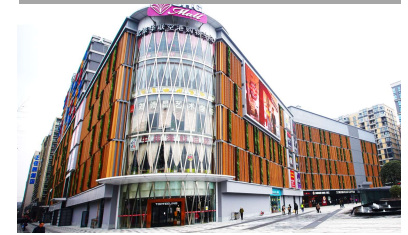
Valuation
of AUM¹
4.7
RMB billion

MULTI-TENANTED

Beijing Wanliu



Chengdu Konggang



Hefei Mengchenglu



Hefei Changjiangxilu



MASTER-LEASED

Xining Huayuan



Dalian Jinsanjiao



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

The Big Picture: Our Value Proposition

Strategy

- One-stop destination malls
- Located in High Density Residential Neighbourhoods (Recurring Visitorships)
- Steady income & consumption level

Quality

- Track Record of Healthy occupancy rate and rental growth
- Capital Management
- Financially Strong & Committed Sponsor Group
 - Retail Conglomerate
 - Networks

Growth

- Hefei Changjiangxilu Acquisition (April 2019)
 - NAV per Unit & DPU accretive
- Visible & Substantial Sponsor Pipeline
- Continual Asset Enhancements

**Financially Strong & Committed
Sponsor Group**

Beijing Hualian Group (BHG)

One of the Leading Chinese Retailers Headquartered in Beijing



BHG: Financially Strong & Committed Sponsor Group

Retail Malls

More than 30 Retail Malls owned and/or under management
Beijing Hualian Department Store Co., Ltd.

- Listed on Shenzhen Stock Exchange (1998)
 - Market cap of RMB 3.2 Billion¹
 - Wide network of retail malls across China
 - With focus on community retail malls well located in areas of high population density
- <http://www.bhgmall.com.cn>



Supermarkets

Supermarkets across entire China
Beijing Hualian Life Supermarket Co., Ltd.

- Tenants at our properties in the REIT's portfolio
- Attracts recurring footfall while providing stable income and step-up



1. Bloomberg data as at 15 August 2024.

BHG: Financially Strong & Committed Sponsor Group

SKP

SKP Luxury Department Stores

SKP Operates SKP Beijing, SKP Xi'An, SKP-S, SKP Chengdu & SKP Wuhan

- Amongst the Largest Luxury Department Stores in China
- SKP Beijing: Located at Beijing's prime Central Business District, as one of Beijing's landmark shopping places <http://www.skp-beijing.com>
- SKP Xi' An: Opened in May 2018
- SKP-S: Opened in Dec 2019
- SKP Chengdu: Opened in Dec 2022
- SKP Wuhan: Opened in July 2024



Investment Overview



Photo of Beijing Wanliu

Investment Overview

1 Growing China Economic Fundamentals

**2 Resilient Sustainable Strategy:
Situated in Densely Populated Residential Neighborhoods**

3 Robust Quality Assets & Performance

4 Track Record of Strong Asset Enhancement and Asset Management Capabilities

China Economic Fundamentals

Gross Domestic Product (GDP) Growth¹

+5.0%
1H 2024 GDP
Growth
y-o-y

+7.8%
2015-2023
GDP CAGR
Growth

Disposable income per capita for urban residents¹

+4.6%
1H 2024 Growth
y-o-y

+6.7%
2015-2023
CAGR Growth

Retail Sales Growth¹

+3.7%
1H 2024 Growth
y-o-y

+6.9%
2015-2023
CAGR Growth

- China's 1H 2024 gross domestic product¹ ("GDP") grew 5.0% year-on-year to RMB 61.7 trillion¹.
- Disposable income per capita of urban residents grew 4.6% year-on-year in 1H 2024 while retail sales of consumer goods increased 3.7% year-on-year¹, driven mainly by food and beverages, communication equipment as well as sport and recreational goods sales which grew by 7.9%, 11.3% and 11.2% respectively¹.
- The International Monetary Fund (IMF) raised its China's GDP outlook for 2024, revising it from 4.6% in January 2024 to 5.0% in May 2024², the upgrade reflects strong Q1 GDP data and recent policy measures.

1. Source: National Bureau of Statistics of China.

2. IMF (28 May 2024): IMF Staff Completes 2024 Article IV Mission to the People's Republic of China.

Resilient Sustainable Strategy:

Situated in Densely Populated Residential Neighborhoods

**Stable & Recurring Neighbourhood Visitorships
(Against Backdrop of Healthily Growing Residents' Income & Spending)**

Beijing Wanliu



Typical Characteristics of Surrounding Neighbourhoods

- Residents population of about 200,000 to 300,000 within 3km radius
- Suburban community, visitor profiles include:
 - People who drop-by the mall to shop for groceries or essential items before heading home after work
 - Families who choose to eat out, and shop around after a meal
 - Parents/Grand parents bringing children for enrichment classes
 - Whole family coming to mall to attend events organised by the mall

Resilient Sustainable Strategy:

Situated in Densely Populated Residential Neighborhoods

Stable & Recurring Neighbourhood Visitorships
(Against Backdrop of Healthily Growing Residents' Income & Spending)

Chengdu Konggang



Hefei Mengchenglu

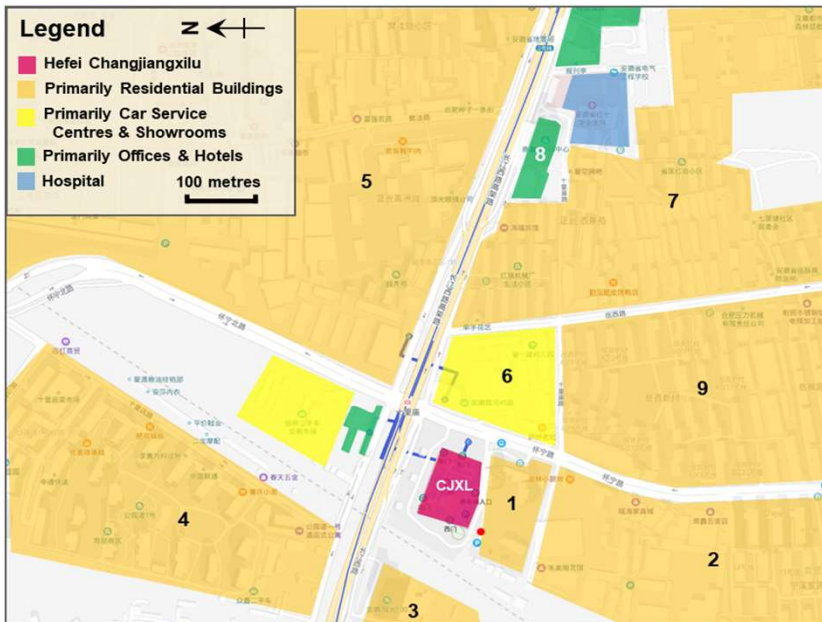


Resilient Sustainable Strategy:

Situated in Densely Populated Residential Neighborhoods

Hefei Changjiangxilu (十里庙 Shilimiao Community, Shushan District)

Catchment Population Within a 3-kilometre Radius of Approximately 200,000 & 50 Local Communities



Robust Quality Assets & Performance

Track Record of High Occupancy Rate and Healthy Leasing Demand

OCCUPANCY RATE	2016 ¹	2017 ¹	2018 ¹	2019 ¹	2020 ¹	2021 ¹	2022 ¹	2023 ¹	1H 2024 ³
● Beijing Wanliu	99.5%	100%	100%	96.2%	92.7%	96.1%	94.1%	96.8%	98.2%
● Chengdu Konggang	91.3%	96.8%	97.0%	94.7%	96.4%	98.0%	96.6%	96.1%	96.8%
● Hefei Mengchenglu	100.0%	100.0%	96.2%	95.1%	81.7% ⁴	91.3%	91.1%	90.5%	95.7%
● Hefei Changjiangxilu²	N.A.	N.A.	N.A.	97.6%	92.4%	98.2%	92.7%	88.4% ⁴	90.1% ⁴
● Xining Huayuan	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
● Dalian Jinsanjiao	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Portfolio (NLA Weighted)	97.6%	99.7%	98.7%	96.7%	93.5%	97.0%	95.2%	95.2%	96.8%

1. As at 31 December.
2. Hefei Changjiangxilu Mall was acquired on 2 April 2019.
3. As at 30 June 2024.
4. This was due to ongoing tenancy rejuvenation.

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

Robust Quality Assets & Performance

Lease Structure

Defensive Lease Structure

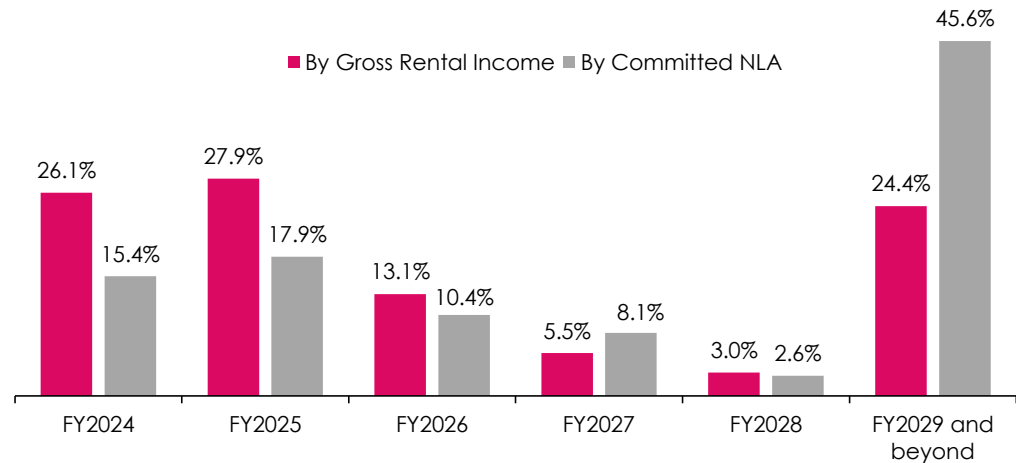
- Protected by base rents
- Enjoy upside from the turnover rents
- Majority of leases also come with rental escalation

Lease Expiry Profile¹

Staggered Lease Expiries

Weighted average lease expiry (WALE)

By Gross Rental Income:	3.2 years
By Committed NLA:	5.3 years



1. As at 30 June 2024.

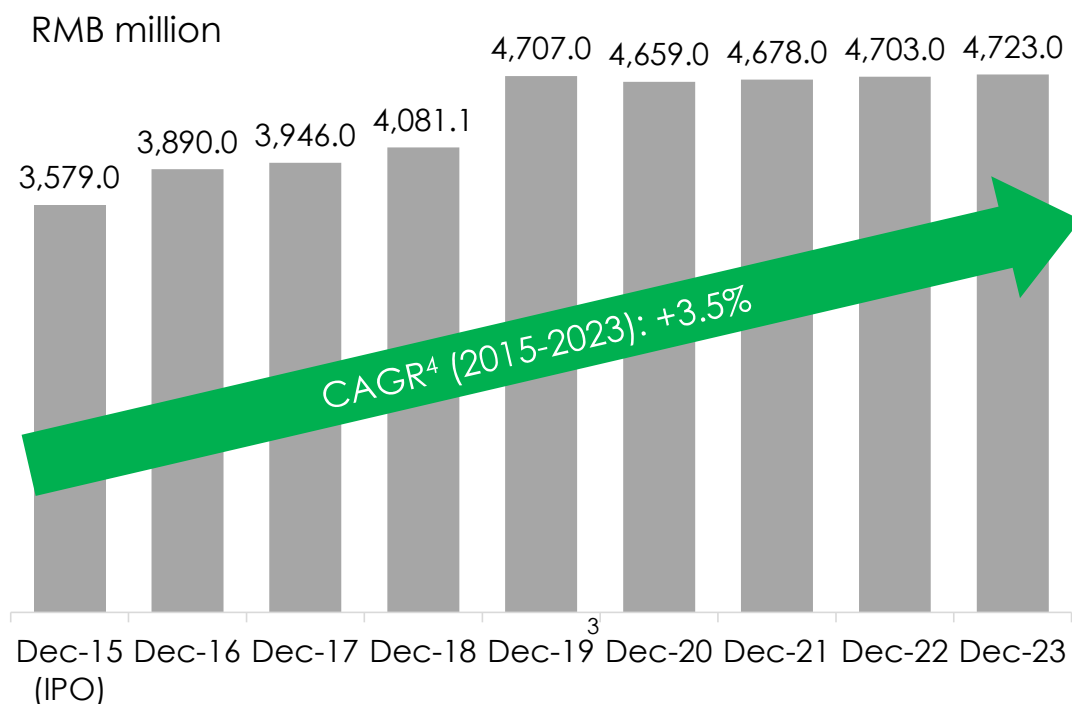
Robust Quality Assets & Performance

Solid Assets-Backed Financial Position

Extracted Statement of Financial Position
As at 30 June 2024 (SGD million)

Investment Properties	881.2
Total Assets	926.9
Total Liabilities	382.7
Net Assets	544.3
Net Asset Value Per Unit ¹ (SGD cents)	0.72

Valuation of Investment Properties^{1,2}: Dec 2015-2023 CAGR of ▲ 3.5% p.a.



1. Based on 100% contribution from Beijing Wanliu.
2. Based on annual valuation from independent valuers.
3. Includes the valuation of Hefei Changjiangxilu Mall which was acquired on 2 April 2019.
4. Compound Annual Growth Rate.

1H 2024 Financial Update

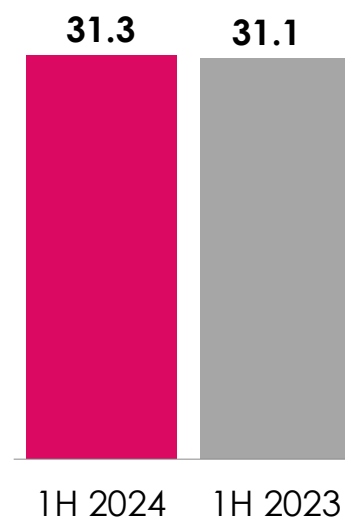
Gross Revenue
1H 2024
31.3
SGD million

Net Property Income
1H 2024
17.9
SGD million

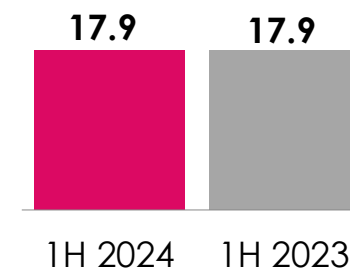
Amount to be distributed
to Unitholders^{1,2}
1H 2024
1.3
SGD million

Distribution per Unit^{1,2}
1H 2024
0.25
SGD cents

Gross Revenue³
SGD million



Net Property Income³
SGD million



1. For the 1H 2024, approximately S\$0.1 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 lower other income from early lease termination.
3. Gross Revenue and Net Property Income for 1H 2024 in RMB term were higher by 4.2% and 3.5% year-on-year respectively.

Balance Sheet and Capital Management

Balance Sheet (SGD million)

As at 30 June 2024

Investment Properties	881.2
Total Assets	926.9
Total Liabilities	382.7
Net Assets	544.3
Net Asset Value Per Unit ¹ (SGD)	0.72

Healthy Gearing with Debt Headroom for Growth	As at 30 June 2024
Aggregated Borrowings Drawn Down	S\$301.2m
Gearing Ratio ²	39.8%
Average Cost of Debt ³	5.7%

- 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. According to the MAS's Property Fund Appendix, the gearing ratio limits of S-REIT should not exceed 45%. With effect from 1 January 2022, S-REITs are allowed to increase the gearing ratio beyond the prevailing 45% (up to 50%) with a minimum Adjusted ICR of 2.5 times requirement.

3. Average cost of debt will be approximately 6.5% per annum if amortisation of loan establishment fee is included.

Track Record of Strong Asset Enhancement

Chengdu Konggang (2024): Asset Enhancement Initiatives



- Rejuvenation of basement area
- Refreshed tenants with appealing F&B eateries and stores

ANCHORING FOUNDATIONS. STAYING RESILIENT.

Track Record of Strong Asset Enhancement

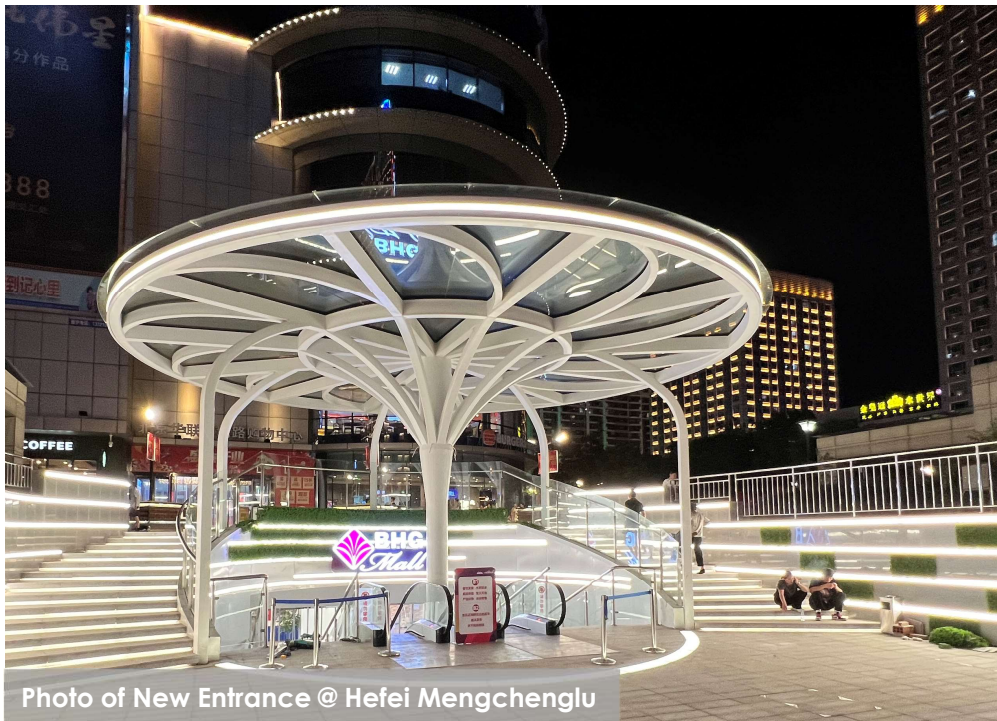
Hefei Changjiangxilu (2023): Asset Enhancement Initiatives



- Revitalized basement space
- Introduced new varieties of F&B eateries and stores

Track Record of Strong Asset Enhancement

Hefei Mengchenglu (2022):
Completion of new entrance to enhance accessibility and improve shopper traffic flow and connectivity between ground and basement Levels



Chengdu Konggang (2022):
Rejuvenation of exterior area, Yuelai Square, with appealing F&B pushcarts and container-style stores



Track Record of Strong Asset Enhancement

Beijing Wanliu (2018~2019):
Anchor Tenant Resize (Hai Di Lao Level 4 & 5)



Beijing Wanliu (2020):
Supermarket Resizing and Enhancement on B1



Chengdu Konggang (2017):
Sports Zone Enhancement (B1 AEI + New Tenancies)



Chengdu Konggang (2018~2019):
Exterior Upgrade in 2018 and Addition of Container-Style Food Lane in 2019



Strong Asset Management

E-commerce platform: Staying Connected with Omnichannel Visitors

Select Mall

Live-Broadcast (Upcoming/Past)

会员

北京华联购物中心

北京华联成都空港购物中心

请输入搜索内容...

BHG SELECT

好物直播

SALE \ 热销商品

377VC 烟酰胺靓肤面膜 30ml*6

377VC 烟酰胺靓肤面膜 30ml*20片

¥198

¥88

¥198

会员 品牌 停车 商城 我的

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

自助积分 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

免费大餐等你抢

F1 麦当劳 麦辣鸡翅一对 ¥5 免费领 立即领取

- The BHG Mall online platform was launched amid COVID-19 via the WeChat Mini-Program
- Sharing online capability across all BHG Malls
- Keeps customers apprised of promotional items and events
- Provides a convenient and regular way for customers to stay connected with our malls
- Reward points to enhance customers' loyalties to both BHG malls as well as retailers

Strong Asset Management

Innovative New Retail @ Work



Live Broadcasts

- By Internet celebrities, retailers, and malls
- Combination of various style/format for example:
 - (1) In-store retail exploration
 - (2) Product introduction and awareness
 - (3) Promotional deals
 - (4) Showcasing skills & dining experience

WeChat Groups

- Exclusive BHG mall's WeChat group with participating merchants and members
- Efficient channel to communicate promotions, events, as well as mall information

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

阳光保险集团

Photo of Hefei Mengchenglu

New Lifestyle and Retail Offerings In our Malls

ONTO Snow - Indoor Skiing
爱上雪运动中心 室内滑雪



@ Beijing Wanliu

Ji Ban Anime Model
集办之社 动漫模型



@ Beijing Wanliu

Ji Hou Beauty Salon
肌后洗脸吧 美容



@ Beijing Wanliu

Lai Bai Jewellery
莱百传世 金饰
莱百传世



@ Beijing Wanliu

Bang Wei Sports
邦威体育



@ Hefei Changjiangxilu

Chuan Mao Mao Children Art & Craft
串猫猫萌趣乐园 儿童手工



@ Hefei Changjiangxilu

Popular F&B Selections

Chuan He Cheng Sichuan Dry Pot
川合成 麻辣香锅



@ Beijing Wanliu

Bao Zhu Yoghurt
宝珠奶酪



@ Beijing Wanliu

Niu Tang Ge Beef Noodles
牛汤哥 牛肉面



@ Beijing Wanliu

Du Yi Du Thai Restaurant
嘟一嘟 泰国小馆



@ Chengdu Konggang

Hey Tea Bubble Tea
喜茶



@ Chengdu Konggang

Shang Yu Xian Little Hotpot
尚渝鲜 小伙锅



@ Hefei Changjiangxilu

New Tenants In Our Malls (Fashion and Children)

Tribeca Women Wear
Tribeca 女装



@ Beijing Wanliu

Mufan Fashion
慕凡 服装



@ Hefei Mengchenglu

Mu Zi Shang Fashion
木子尚 服装



@ Hefei Changjiangxilu

Masiendi Women Wear
Masiendi 女装



@ Beijing Wanliu

Jiu Sui Ban Children Wear
久岁伴 童装



@ Beijing Wanliu

REFRESH, REJUVENATE, RE-ENERGISE

Engaging Communities Creating Lasting Memories

- *Customers continue to desire social interactions and physical events*
- *We continued to engage with surrounding communities through various physical events during the year*

Photo of Chengdu Konggang

Engaging Shoppers and Communities

Need BHG Day
有你真合拍



@ Beijing Wanliu

Burger Guessing Competition
汉堡竞猜大赛



@ Beijing Wanliu

Summer Outdoor Musical Concert
夏日户外音乐会



@ Chengdu Konggang

Kindergarten Mini Concert
幼儿园表演



@ Chengdu Konggang

Labour Holiday Celebration
五一潮玩



@ Hefei Changjiangxilu

Need BHG Day
有你真合拍



@ Hefei Changjiangxilu

Children & Family Activities

Children's Day Exhibition
儿童节品牌联展



@ Beijing Wanliu

Family Sports Day
亲子运动会



@ Beijing Wanliu

Mini Kitchen Cooking Challenge
迷你厨房厨艺大冒险



@ Chengdu Konggang

Summer Outdoor Water Challenge
夏日泼水大战



@ Chengdu Konggang

Children's Day Bazaar
儿童节摊玩市集



@ Hefei Mengchenglu

Flea Market
跳蚤市场



@ Hefei Changjiangxilu

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

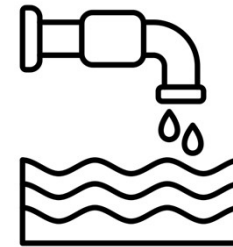
Energy Efficiency



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 2024™	Platinum	2024
4	Best CEO The Global CSR & ESG Awards 2024™	Gold	2024
5	CSR & ESG Leadership Award The Global CSR & ESG Awards 2024™	Silver	2024



Looking Forward

Photo of Beijing Wanliu

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



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Thank you

For further information and enquiries:

BHG Retail Trust Management Pte. Ltd.

Contact: (65) 6805 8288 Email: ir@bhgreit.com

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