



BHG Retail REIT 1Q 2018

Gross Revenue up 12.5% year-on-year

Net Property Income up 12.2% year-on-year

- Annualised Distribution Yield of 7.3%¹
- Maintains High Occupancy Rate of 99.0%
- Strong Rental Reversion

SINGAPORE, May 11, 2018 – BHG Retail Trust Management Pte. Ltd., the Manager of BHG Retail REIT, is pleased to announce the financial results of BHG Retail REIT for the first quarter (“1Q 2018”) ended 31 March 2018.

1Q 2018 gross revenue and net property income outperformed the first quarter of the preceding year by 12.5% and 12.2%, respectively. These outstanding results were underpinned by healthy leasing activities during the quarter, as well as higher occupancy rates in both Chengdu Konggang Mall and Beijing Wanliu Mall, as compared to the corresponding period last year.

1Q 2018 amount available for distribution of S\$5.3 million translated to a distribution per Unit (“DPU”) of 1.39 Singapore cents. This represented an annualised distribution yield of 7.3%¹, based on a closing price of S\$0.77 as at 31 March 2018.

Ms Chan Iz-Lynn, Chief Executive Officer of BHG Retail Trust Management Pte. Ltd., said, “BHG Retail REIT’s portfolio of community-focused retail properties in high population density neighborhoods continued to deliver robust financial and operational performance in 1Q 2018. Portfolio occupancy rate increased from 98.6% to 99.0% for the 12 months ended 31 March 2018, mainly due to the completion of the Chengdu Konggang asset enhancement initiative in July 2017. Leasing activities in the first quarter of 2018 continued to display strong rental reversion from existing and new tenants. Looking ahead, we will continue to proactively manage our tenancies and properties, actively seek yield-accretive acquisitions, and continue to deliver stable and regular distributions to our unitholders”.

Footnotes:

1 Based on closing price of S\$0.77 as at 31 March 2018, and 1Q 2018 Distribution per Unit.

For the period from 1 Jan to 31 Mar	1Q 2018 ²	1Q 2017 ²	Change%
Gross revenue [RMB'000]	83,995	75,348	11.5
Net property income [RMB'000]	56,077	50,441	11.2
Gross revenue [SGD'000]	17,429	15,492	12.5
Net property income [SGD'000]	11,636	10,371	12.2
Amount available for distribution [SGD'000]	5,287	5,056	4.6
Distribution per unit ("DPU") [SGD cents]	1.39	1.39	-

Footnotes:

- 2 The actual results of the Group's foreign subsidiaries were translated using the average SGD: CNY rate of 1:4.819 and 1:4.864 for 1Q 2018 and 1Q 2017, respectively.

Financial Position

BHG Retail REIT's gearing remained healthy at 33.0% with comfortable debt headroom for potential acquisition growth. About 70% of debt are denominated in Singapore dollars. Net asset value per unit moved up 1.2% from S\$0.83 as at 31 December 2017 to S\$0.84 as at 31 March 2018.

Outlook^a

The Chinese economy grew 6.8% year-on-year to RMB19.9 trillion in 1Q 2018. Full year 2018 GDP growth target of about 6.5% remained unchanged from 2017. Retail sales rose 9.8% year-on-year to RMB9.0 trillion in 1Q 2018. Disposable income and consumption expenditure per capita for urban residents increased 8.0% and 5.7%, respectively in 1Q 2018. Unemployment remained generally stable. According to CBRE^b, China's consumption upgrading continued, reflected by higher growth of apparel, cosmetics, sports and entertainment related goods. Cosmetics, food and beverage, and entertainment trades remained active towards expansion. Supply of retail space is forecast to ease in 2018. Demand for brick-and-mortar stores will continue, mainly driven by domestic fashion brands.

a. Source: National Bureau of Statistics of China

b. Source: CBRE Marketview

ABOUT BHG RETAIL REIT (<http://www.bhgreit.com>)

BHG Retail REIT is the first pure-play China Retail REIT sponsored by a leading China integrated retail group. The REIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited on 11 December 2015. The principal investment strategy of BHG Retail REIT is to invest, directly or indirectly, in a diversified portfolio of income-producing real estate which is used primarily for retail purposes (whether either wholly or partially), as well as real estate-related assets in relation to the foregoing, with an initial focus on China.

Its portfolio comprises five retail properties, Beijing Wanliu (60%), Chengdu Konggang, Hefei Mengchenglu, Xining Huayuan, Dalian Jinsanjiao located in Tier 1, Tier 2 and other cities of significant economic potential in China. As at 31 March 2018, the portfolio gross floor area ("GFA") of about 264,000 sqm, has a committed occupancy of 99.0%. As at 31 December 2017 (date of latest valuation), total appraised value was approximately RMB 3,946 million. Under voluntary right of first refusal agreements ("ROFR"), properties may potentially be offered to BHG Retail REIT as future pipeline assets.

ABOUT THE REIT MANAGER

BHG Retail REIT is managed by BHG Retail Trust Management Pte. Ltd., an indirect wholly owned subsidiary of the Sponsor, Beijing Hualian Department Store Co., Ltd. The Manager's key financial objectives are to provide Unitholders of BHG Retail REIT with an attractive rate of return on their investment through regular and stable distributions to Unitholders and to achieve long-term sustainable growth in distribution per unit ("DPU") and net asset value ("NAV") per Unit, while maintaining an appropriate capital structure for BHG Retail REIT.

ABOUT THE SPONSOR

BHG Retail REIT is the first retail REIT sponsored by an established PRC home-grown retail property operator, Beijing Hualian Department Store Co., Ltd. (the "Sponsor"). Established in May 1998, the Sponsor is a listed company on the Shenzhen Stock Exchange (stock code: 000882). The Sponsor is one of the first companies to be engaged in retail property management in China whose focus is mainly on the ownership and management of community retail properties. These properties are positioned as one-stop family-oriented destinations for the community in its locality, with shopping, dining, recreational and entertainment facilities to cater to an extensive variety of communal needs.

For further information and enquiries:

Nigel Nai Zi
Investor Relations Manager
BHG Retail Trust Management Pte. Ltd.
Contact: (65) 6805 8283
Email: ir@bhgreit.com

IMPORTANT NOTICE

The value of units in BHG Retail REIT (“Units”) and the income derived from them, if any, may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, BHG Retail Trust Management Pte. Ltd., as manager of BHG Retail REIT (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 is not necessarily indicative of its future performance.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of BHG Retail REIT (“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 press release may contain forward-looking statements that involve risks and uncertainties. Such forward-looking statements and/or financial information involve 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 similar developments, shifts in expected levels of property rental income, changes in operating expenses, property expenses and governmental and public policy changes, and the continued availability of financing. The actual results, performance or achievements of BHG Retail REIT or the Manager, or industry results, may be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and/or financial information, as these statements and financial information reflect the Manager’s current views concerning future events and necessarily involve risks, uncertainties and assumptions. Prospective investors and Unitholders are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Manager on future events.