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THE SECURITIES OF BHG RETAIL REIT HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT. THERE WILL BE NO PUBLIC OFFERING OF THE SECURITIES IN THE UNITED STATES.



(a real estate investment trust constituted on 18 November 2015
under the laws of the Republic of Singapore)

LISTING OF BHG RETAIL REIT

*Capitalised terms used herein, unless otherwise defined, have the meanings as defined in the prospectus dated 2 December 2015 registered by the Monetary Authority of Singapore on 2 December 2015 (the "**Prospectus**").*

DBS Bank Ltd. is the Financial Adviser, Issue Manager, Bookrunner and Underwriter to the Offering.
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Issue of Units in BHG Retail REIT

BHG Retail Trust Management Pte. Ltd., in its capacity as manager of BHG Retail REIT (the "**Manager**"), is pleased to announce that the Manager has issued 492,725,000 units in BHG Retail REIT ("**Units**") comprising:

- (i) an aggregate of 151,169,000 Units issued pursuant to the initial public offering (the "**Offering**") of BHG Retail REIT, consisting of:
 - (a) an international placement of 143,169,000 Units to investors, including institutional and other investors in Singapore; and
 - (b) an offering of 8,000,000 Units to the public in Singapore;
- (ii) 24,636,300 Units issued to Beijing Hualian Mall (Singapore) Commercial Management Pte. Ltd., a wholly owned subsidiary of Beijing Hualian Department Store Co., Ltd., the sponsor of BHG Retail REIT (the "**Sponsor**") pursuant to the subscription agreement dated 23 November 2015 entered into between Beijing Hualian Mall (Singapore) Commercial Management Pte. Ltd. and the Manager (the "**Sponsor Units**");
- (iii) 148,310,300 Units issued to Beijing Hua Lian Group (Singapore) International Trading Pte. Ltd., a wholly owned subsidiary of Beijing Hualian Group Investment Holding Co., Ltd., a company incorporated in the People's Republic of China holding 29.58% of the total issued equity interest of the Sponsor pursuant to the subscription agreement dated 23 November 2014 entered into between Beijing Hua Lian Group (Singapore) International Trading Pte. Ltd. and the Manager (the "**Strategic Investor Units**"); and

- (iv) an aggregate of 168,609,400 Units issued to the cornerstone investors pursuant to separate cornerstone subscription agreements with the Manager as disclosed in the Prospectus (the “**Cornerstone Units**”).

Pursuant to the redemption of the 100 Units held by Mr Zhang Gaobo by the Manager, the total number of Units in issue after completion of the Offering will be 492,725,000 Units.

The Units will commence trading on a “ready” basis at 2.00 p.m. today (11 December 2015).

Completion of Acquisition of the Initial Portfolio

The Manager is pleased to announce that BHG Retail REIT has today completed the acquisition of the entire issued share capital of the Singapore Holding Companies, which indirectly hold (i) a 60.0% interest in Beijing Wanliu Mall, (ii) Hefei Mengchenglu Mall, (iii) Chengdu Konggang Mall, (iv) the 15,345.08 sq m of space known as Dalian Jinsanjiao Property and (v) Xining Huayuan Mall (the “**IPO Portfolio**”) through the PRC Holding Companies.

Use of Proceeds

Gross proceeds of S\$394.2 million have been raised from the Offering and the issuance of the Sponsor Units, the Strategic Investor Units and the Cornerstone Units, and an amount of S\$116.0 million has been drawn down from the S\$148.0 million term loan facility granted by the Offshore Lenders, being DBS Bank Ltd., Bank of China Limited, Singapore Branch, Industrial and Commercial Bank of China Limited, Singapore Branch and United Overseas Bank Limited (the “**Facility**”). The total cash proceeds raised from the Offering, the issuance of the Sponsor Units, the Strategic Investor Units and the Cornerstone Units, as well as the full amount drawn down from the Facility will be applied towards the following:

- (i) approximately S\$488.5 million towards the payment of the transaction amount in connection with the acquisition of the Singapore Holding Companies;
- (ii) approximately S\$35.0 million towards the repayment of the Chengdu Loan (as defined herein)¹; and
- (iii) approximately S\$13.9 million towards the payment of transaction costs incurred in relation to the Offering and the Facility,

with the balance of approximately S\$4.7 million to be held for working capital purposes.

The above is in accordance with the stated use and amount allocated in the Prospectus. The Manager will make periodic announcements on the utilisation of the remainder of the gross proceeds from the Offering and the issuance of the Sponsor Units, the Strategic Investor Units and the Cornerstone Units as and when such funds are materially disbursed.

Disclosure pursuant to Rule 704(31) of the Listing Manual

The following onshore facilities in place at the PRC Holding Companies level have also been fully drawn down:

¹ Full repayment of the Chengdu Loan is envisaged after 1 January 2016, conducted through the injection of equity capital into the Chengdu Hairong for the purpose of discharging the loan of RMB161.1 million (equivalent to approximately S\$35.0 million) granted by the New Onshore Lenders (the “**Chengdu Loan**”).

- (i) Beijing Wanmao's onshore term loan facility of RMB280.0 million (equivalent to approximately S\$60.9 million²), from the New Onshore Lenders, being DBS Bank (China) Ltd., Beijing Branch and United Overseas Bank (China) Limited, Beijing Branch;
- (i) Chengdu Hairong's onshore term loan facility of RMB161.1 million (equivalent to approximately S\$35.0 million), from the New Onshore Lenders; and
- (ii) Hefei Hualian's construction loan of RMB71.0 million (equivalent to approximately S\$15.4 million), refinanced by the New Onshore Lenders.

Certain conditions in the agreement relating to the Facility (the "**Facility Agreement**") make reference to the unitholding interests in BHG Retail REIT, the shareholding interests in the Manager or the change in the manager of BHG Retail REIT. Under the terms and conditions of the Facility, the following events may result in, among others, mandatory prepayment:

- (i) the Manager is not or ceases to be a direct or indirect wholly owned subsidiary of the Sponsor;
- (ii) the Strategic Investor is not or ceases to be a direct wholly owned subsidiary of Beijing Hualian Group;
- (iii) Beijing Hualian Group is not or ceases to be (a) the largest single shareholder of the Sponsor, and (b) the legal and beneficial owner of at least 20% of the issued and fully paid-up shares with full voting rights in the Sponsor;
- (iv) the Strategic Investor does not or ceases to own and maintain directly or indirectly at least 20% of the total number of issued Units; and
- (v) the Sponsor and Strategic Investor do not or cease to collectively (direct or indirectly) and beneficially own a larger percentage of issued Units than any other Unitholder or Unitholders acting in concert; and
- (vi) the Manager resigns or is removed as the manager of BHG Retail REIT without the prior written consent of the Offshore Lenders,

(collectively, the "**Prepayment Events**", and each a "**Prepayment Event**").

Assuming the occurrence of any Prepayment Event which may cause the Offshore Lenders to require BHG Retail REIT to prepay the outstanding loans under the Facility, and such occurrence were to cause a cross default under other borrowings of the BHG Retail REIT group, the aggregate level of facilities that may be affected is, as at the date of this announcement, approximately S\$203.0 million³ (excluding interest and fees).

As at the date of this announcement, none of the aforesaid conditions has been breached.

Each of Beijing Hualian Group and the Sponsor has provided an undertaking to the Manager and the Trustee that, (in the case of Beijing Hualian Group) for so long as Beijing Hualian Group is a controlling shareholder of the Manager or a controlling Unitholder of BHG Retail REIT and (in the case of the Sponsor) for so long as the Sponsor is a controlling shareholder of the Manager, each of Beijing Hualian Group and the Sponsor respectively will notify the Manager and the Trustee as soon as it becomes aware of:

2 Unless otherwise stated in this announcement, RMB amounts have been translated into Singapore dollars based on the fixed exchange rate of S\$1.00 : RMB4.60.

3 Based on 60.0% of loans and borrowings owed by Beijing Wanmao.

- (i) (in the case of Beijing Hualian Group) any share or Unit pledging arrangement (or other arrangement having similar legal or economic effect) relating to all or any of the shareholding interests in the Manager or unitholding interests in BHG Retail REIT held directly or indirectly by Beijing Hualian Group;
- (ii) (in the case of the Sponsor) any share pledging arrangement (or other arrangement having similar legal or economic effect) relating to all or any of the shareholding interests in the Manager held directly or indirectly by the Sponsor; and
- (iii) any event which may result in a breach of the terms of BHG Retail REIT's and/or any of its subsidiaries' loans, including the Facility and the Onshore Facilities.

Waiver from compliance with Rule 404(3)(a) of the Listing Manual

The Manager wishes to announce that the SGX-ST has granted BHG Retail REIT a waiver from compliance with Rule 404(3)(a) of the Listing Manual, which would otherwise require a REIT to limit its investments in companies which are related to its substantial unitholders, investment managers or management companies, to a maximum of 10% of gross assets.

Waiver from compliance with Rule 705(1) of the Listing Manual

The Manager also wishes to announce that the SGX-ST has granted BHG Retail REIT a waiver (the "**Waiver**") from compliance with Rule 705(1) of the Listing Manual, which would otherwise require BHG Retail REIT to announce the financial statements for the full financial year immediately after the figures are available, but in any event not later than 60 days after the relevant financial period. Instead, BHG Retail REIT will be announcing its first quarter results for the period from the Listing Date to 31 March 2015.

The Waiver was granted on the basis that the Listing Date is the date on which the acquisition of interests in respect of the IPO Portfolio would occur, and that the financial period relevant to investors will only be a very short period (of approximately 3 weeks) from the Listing Date to 31 December 2015, which will not be an accurate representation of the performance of BHG Retail REIT for the full financial year ending 31 December 2015. In light of the above reason, and taking into consideration the fact that the benefit would very much be outweighed by the cost, time and effort required by the Manager to prepare the financial information for the financial year ending 31 December 2015, the Waiver was granted.

The Waiver is subject to the condition that BHG Retail REIT announces the Waiver and the reasons for seeking the Waiver. The Manager has also provided a written confirmation to the SGX-ST that (a) the Waiver does not contravene any laws and regulations governing BHG Retail REIT and the trust deed of BHG Retail REIT, and (b) the Manager is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Manager.

Clarification in relation to Rule 409(3) of the Listing Manual

The Manager has sought clarification from the SGX-ST and received response that the SGX-ST has no further comments on BHG Retail REIT's compliance with Rule 409(3) of the Listing Manual with regard to the provision of the annual accounts, subject to the disclosure in the Prospectus of (i) the historical unaudited pro forma financial information for FY2012, FY2013 and FY2014, and the interim period, and (ii) the Profit Forecast and Profit Projections.

By Order of the Board

BHG Retail Trust Management Pte. Ltd.,

(Company Registration No. 201504222D)

in its capacity as manager of **BHG Retail REIT**

11 December 2015

Important notice:

This announcement is for information only and does not constitute an offer, invitation to purchase or subscribe for or solicitation of Units in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. The value of the 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, DBS Trustee Limited, as trustee of BHG Retail REIT, Beijing Hualian Department Store Co., Ltd., as the sponsor to the Offering, the Bookrunner and Underwriter or any of its respective affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Following the listing of the Units on the SGX-ST, investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is not an offer or sale of the Units in the United States. The Units have not been and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. Any public offering of the Units in the United States would be made by means of a prospectus that would contain detailed information about BHG Retail REIT, the Manager and its management, as well as financial statements. There is no intention to register any portion of the offering in the United States or to conduct a public offering of securities in the United States. The Units are being offered and sold outside the United States (including to institutional and other investors in Singapore) in reliance on Regulation S under the Securities Act.

This announcement is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United States securities laws or the laws of any other jurisdiction.