



POISED FOR
G R O W T H

BHG RETAIL REIT
SGX-Phillips Luncheon Seminar
18 May 2017



Certain statements made in this presentation may not be based on historical information or facts and may constitute “forward-looking” statements (including forward-looking financial information). Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements and/or financial information as a result of 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 other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements and/or financial information, as these statements and/or financial information reflect the Manager’s current views concerning future events and necessarily involve risks, uncertainties and assumptions.

The information contained in this presentation has not been independently verified. No representation or warranty, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. Neither BHG Retail Trust Management Pte. Ltd. (the “Manager”) or any of its affiliates, advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

The value of units in BHG Retail REIT (“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 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 and the Manager is not necessarily indicative of the future performance of BHG Retail REIT and the Manager.

Investors have no right to request the Manager to redeem or purchase their Units while the Units are listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). It is intended that 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 presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.

DBS Bank Ltd. was the Financial Adviser, Issue Manager, Bookrunner and Underwriter for the initial public offering of BHG Retail REIT.

Issuer	BHG RETAIL REIT Singapore's First Pure-Play China Retail REIT Sponsored By A China-Based Group
Listing Date	11 December 2015
Investment Mandate	Income-producing real estate used primarily for retail purposes, with an initial focus on China.
Manager	BHG Retail Trust Management Pte Ltd

- 1** Overview of Beijing Hualian Group
- 2** Overview of BHG Retail REIT
- 3** Engaging the Community
- 4** Looking Forward

Overview of Beijing Hualian Group

First China Retail REIT Sponsored by a China Based Group



Beijing Hualian Group's Core Businesses



Retail Malls

37 Retail Malls owned and/or under management

Beijing Hualian Department Store Co., Ltd.

- Listed on Shenzhen Stock Exchange in 1998
- Market cap of RMB 9.18b¹
- 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/>



“Sponsor”

Supermarkets

More than 150 Supermarkets across entire China
Beijing Hualian Hypermarket Co., Ltd.

- Listed on Shanghai Stock Exchange in 2001
- Market cap of RMB 3.70b¹
- Anchor / master-lease tenants at every property in the REIT's portfolio
- Attracts recurring footfall while providing stable income and step-up.



Beijing SKP Luxury Department Store

*One of the Largest
Luxury Department Stores in China*

- Operates Beijing SKP, located at Beijing's prime Central Business District
- Offers high-end retail goods and services
- One of Beijing's landmark shopping places
- <http://www.skp-beijing.com/>



北京SKP

International Retail Partnerships

- Secure distributorships for international renowned brands
- Partnering brands are featured in the REIT's portfolio
- Joint venture with Costa Coffee for the entire Northern China



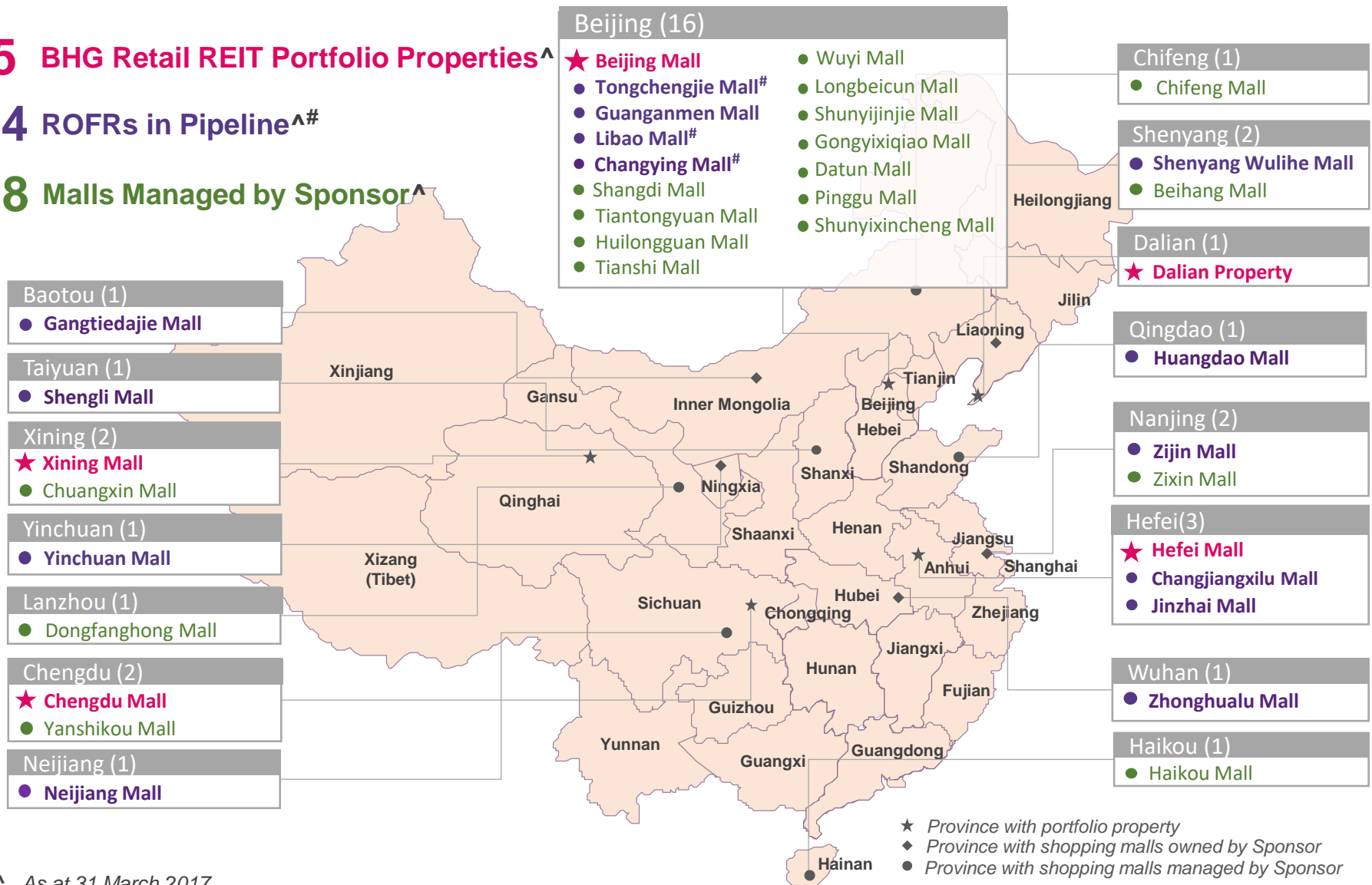
Sponsor: Strong Retail Mall Management Experience



5 BHG Retail REIT Portfolio Properties[^]

14 ROFRs in Pipeline^{^#}

18 Malls Managed by Sponsor[^]



★ Province with portfolio property
 ◆ Province with shopping malls owned by Sponsor
 ● Province with shopping malls managed by Sponsor

[^] As at 31 March 2017

[#] 3 out of the 14 ROFRs (namely Tongchengjie, Libao, and Changying) were given by a private fund, managed by a fund manager which is 50% owned by Beijing Hualian Group Investment Holding Co., Ltd.

Strong Management Platform

Proven Track Record And Expertise In Retail Operations And Management

Broad Tenant Network

Strong Focus On Community Malls

- Extensive experience in the entire retail value-chain
- Ability to leverage on the expertise of international consultants
- Ability to formulate strategies to adapt to changing consumer demands
 - ✓ **Strong focus on daily needs and experiential consumption**
 - ✓ **Strategic tenant mix to complement the positioning of each property**
 - ✓ **Online-to-offline (O2O) initiatives**

- Established relationships with internationally renowned retail brands
- Strong bargaining power arising from its extensive presence across China
- Strong understanding of consumer market, particularly in China community malls
- Sensitive to changing needs of local consumers

Overview of **BHG Retail REIT**



Chengdu Konggang 成都空港

Portfolio of 5 Properties in China



Strategically located in high-growth cities



Xining Huayuan Mall



Chengdu Konggang Mall

Xining
西宁

Beijing
北京

Dalian
大连

Chengdu
成都

Hefei
合肥



Beijing Wanliu Mall



Dalian Jinsanjiao Property



Hefei Mengchenglu Mall

● Multi-tenanted

● Master-leased

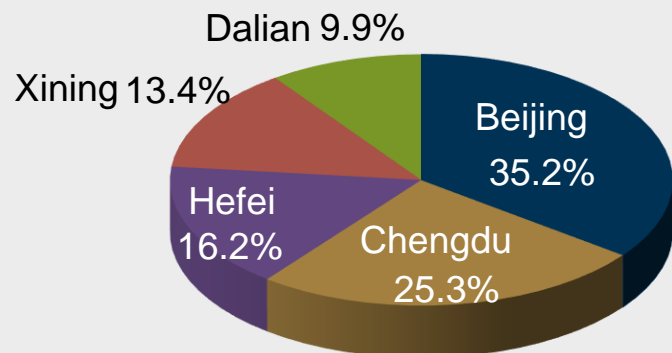
Healthy & Resilient Portfolio



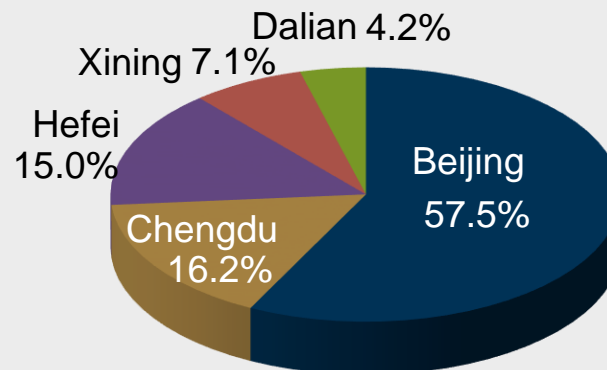
- One-stop destination malls that serve surrounding communities
- Surrounded by densely populated residential properties
- Strong focus on experiential and lifestyle segment
- Well-positioned to capitalise on the rising middle income population



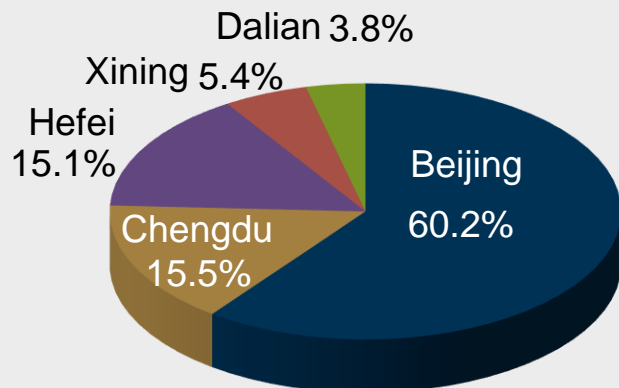
Breakdown of NLA¹ by Property



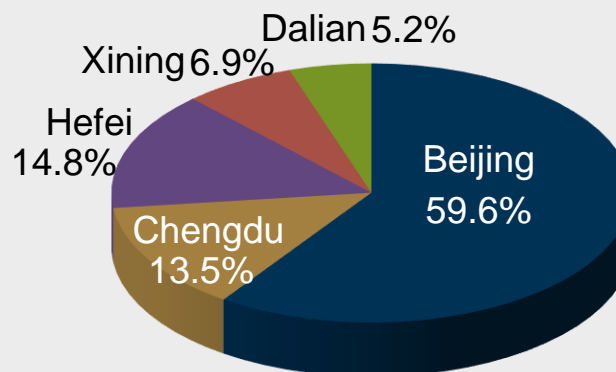
Breakdown of Valuation² by Property



Breakdown of Gross Revenue³ by Property



Breakdown of Net Property Income³ by Property



1 As at 31 March 2017

2 Based on independent valuation from Knight Frank Petty Limited as at 31 December 2016.

3 Based on 1Q 2017 results

High Portfolio Occupancy of 98.6%

Occupancy Rate	31 March 2017
Beijing Wanliu	99.5%
Chengdu Konggang ¹	95.0%
Hefei Mengchenglu	100.0%
Xining Huayuan	100.0%
Dalian Jinsanjiao	100.0%
Portfolio (NLA Weighted)	98.6%

1 Chengdu Konggang Mall is undergoing an exercise to rejuvenate the mall's offering to shoppers.



Beijing Wanliu Mall



Premium Community Mall in Beijing's High Income Residential District

Haidian District's residents have one of the highest per-capita disposable income in Beijing



Location	Haidian District, Beijing
Gross Floor Area	105,920 sqm
Net Lettable Area ¹	54,761 sqm
Leasable Floors	6
Car Park Lots	618
Occupancy ¹	99.5%
Valuation ²	S\$465.8m

1. As at 31 March 2017.
2. Based on independent valuation from Knight Frank Petty Limited and an exchange rate of SGD 1 : RMB 4.798 as at 31 December 2016.

Tenants include:

BHG Supermarket. Golden Harvest Cinema.

H&M. Muji. Uniqlo. Tommy Hilfiger. Charles & Keith. Adidas Originals. The Face Shop. Innisfree.

Pizza Hut. KFC. Burger King. Macdonalds. BreadTalk. Costa Coffee. Hai Di Lao Hot Pot.

Beijing Wanliu Mall New Concepts and Brands



Proactive Asset Management Replaced Department Store with 25 new brands

25 new brands were introduced, much to the delight of residents in the surrounding neighbourhoods. These brands included renowned jeweller Chow Tai Fook (周大福), popular Japanese lifestyle brand Muji, America's iconic Calvin Klein Jeans, South Korea's cosmetic brand Etude House, one of China's rising culinary stars Element Fresh, and one of Taiwan's most popular restaurant chains Bellagio (鹿港小镇).



Muji 无印良品



周大福 Chow Tai Fook



TISSOT 天梭

Other tenants include:

Calvin Klein Jeans.

Etude House.

The Face Shop.

Innisfree. etc



Element Fresh 新元素



Bellagio 鹿港小镇



Musangking 猫山王



唱吧麦颂量贩式KTV

Chengdu Konggang Mall



Destination Mall for The Growing Middle and Upper-Middle Income Families In The Area

Surrounded by Densely Populated Residential Community



Location	Shuangliu County, Chengdu
Gross Floor Area	71,917 sqm
Net Lettable Area¹	39,295 sqm
Leasable Floors	6
Car Park Lots	400
Occupancy¹	95.0%
Valuation²	\$S131.5m

1. As at 31 March 2017.
2. Based on independent valuation from Knight Frank Petty Limited and an exchange rate of SGD 1 : RMB 4.798 as at 31 December 2016.

Tenants include:

BHG Supermarket. BHG Cinema. Watsons. Starbucks. Burger King. 美航国际健身Gym. La Chapelle. TOPFEELING. ONLY. VERO MODA.



Chengdu Konggang New Concepts and Brands



Tenancy Rejuvenation at Basement One To Elevate Active Lifestyle Offering



- Asset enhancement to elevate the mall's active lifestyle offering and revitalise our offering on basement one, in light of rising demand for sports merchandise and services.
- New and existing active lifestyle brands in the rejuvenated cluster includes Nike, Adidas, New Balance, Jordan, and Li-Ning (李宁).
- Project is progressing on schedule, with occupancy increasing progressively.
- Expected to complete around 3Q 2017 and value-add by enhancing the long-term quality and sustainability of the mall.



Hefei Mengchenglu Mall



Winner of 2016 Hefei's Most Popular Shopping Centre of the Year



Location	Luyang District, Hefei
Gross Floor Area	49,699 sqm
Net Lettable Area ¹	25,230 sqm
Leasable Floors	6
Car Park Lots	268
Occupancy ¹	100.0%
Valuation ²	S\$121.7m

1. As at 31 March 2017.
2. Based on independent valuation from Knight Frank Petty Limited and an exchange rate of SGD 1 : RMB 4.798 as at 31 December 2016.

Tenants include:

BHG Supermarket. BHG Cinema.

Starbucks. Pizza Hut. Hai Di Lao Hot Pot.

Bioliving 百武西. Miniso. Gymboree. ONLY. VERO MODA.



Hefei Mengchenglu Mall New Concepts and Brands



Shi Qi Le Seafood Buffet 食其乐海鲜自助餐



MINISO 名创优品



Milibam



念

Xining Huayuan Mall



Popular Retail Hub in Xining, Tibetan Plateau's Largest City



Location	Ximen-Dashizi Retail Hub, Xining
Gross Floor Area	20,807 sqm
Net Lettable Area¹	20,807 sqm
Leasable Floors	4
Occupancy¹	100.0%
Valuation²	S\$57.9 m

1. As at 31 March 2017.
2. Based on independent valuation from Knight Frank Petty Limited and an exchange rate of SGD 1 : RMB 4.798 as at 31 December 2016.



A Key Destination for Daily Essentials



Location	Jinsanjiao Area, Dalian
Gross Floor Area	15,345 sqm
Net Lettable Area ¹	15,345 sqm
Leasable Floors	2
Occupancy ¹	100.0%
Valuation ²	S\$33.8 m

1. As at 31 March 2017.
2. Based on independent valuation from Knight Frank Petty Limited and an exchange rate of SGD 1 : RMB 4.798 as at 31 December 2016.

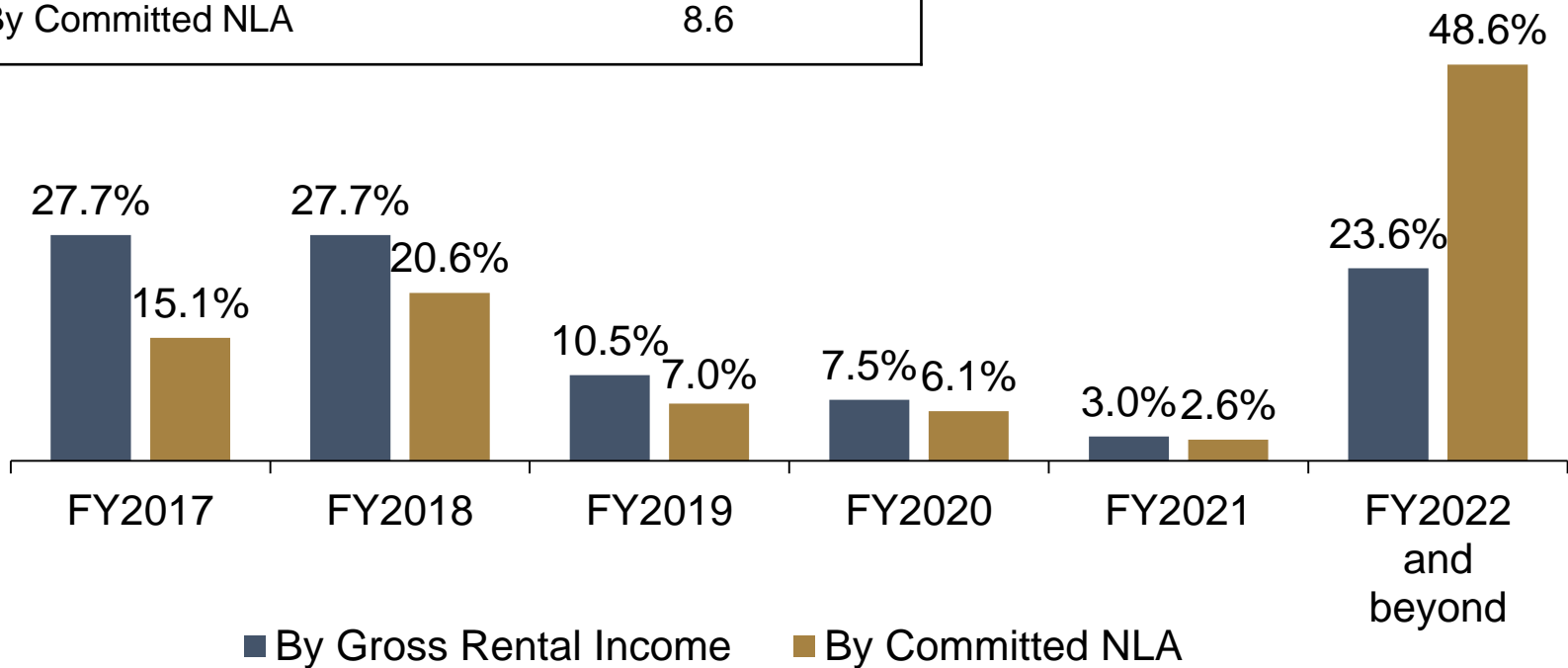


Well-Staggered Lease Expiry Profile



As at 31 March 2017

Weighted average lease expiry (WALE) (No. of years)	
By Gross Rental Income	5.0
By Committed NLA	8.6

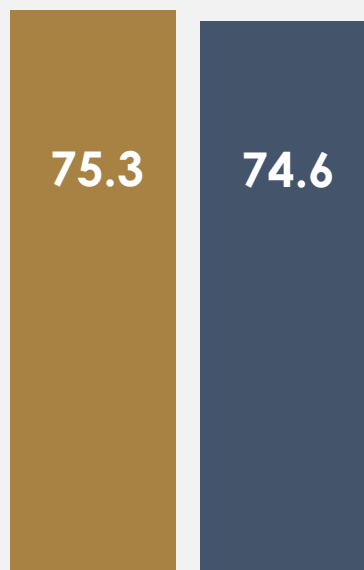


Stable and Resilient Performance



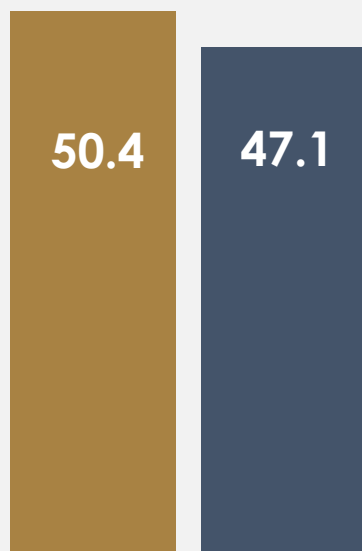
Gross Revenue
RMB million

▲ **1.0** %



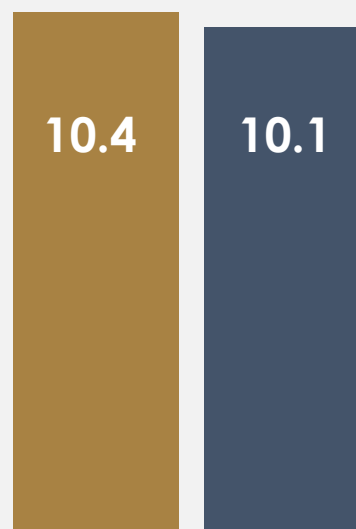
Net Property Income
RMB million

▲ **7.0** %



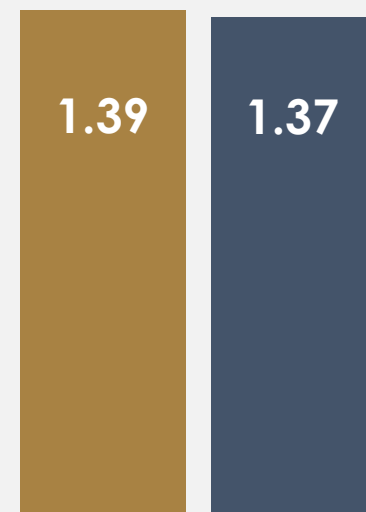
Net Property Income
S\$ million

▲ **2.3** %



Distribution Per Unit
Singapore cents

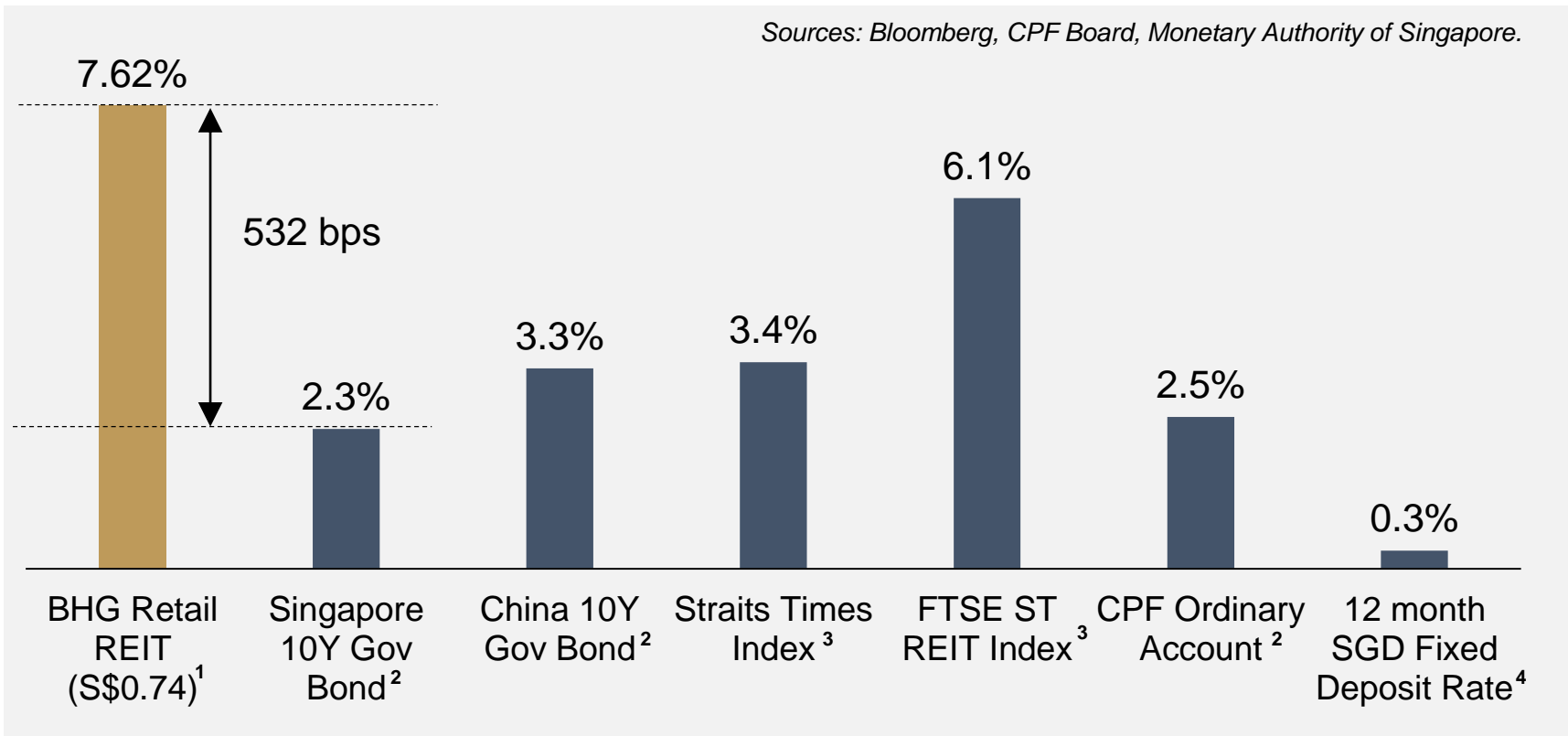
▲ **1.5** %



■ 1Q 2017 ■ 1Q 2016

BHG Retail REIT trading at 532 bps risk premium above Singapore 10-year government bond yield

Sources: Bloomberg, CPF Board, Monetary Authority of Singapore.

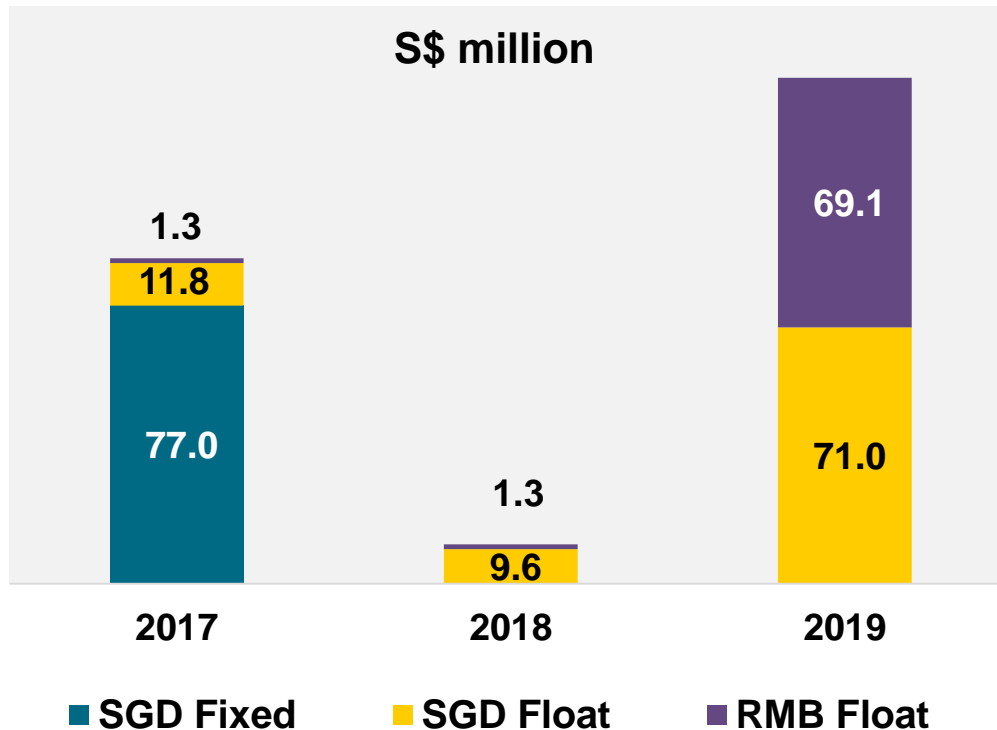


1. Based on Closing price of S\$0.74 as at 31 March 2017.
2. As at 31 March 2017.
3. Based on the average gross dividend yield for the 12 months ended 31 March 2017.
4. Based on the average SGD fixed deposit rate for the 12 months ended 31 March 2017.

Debt Maturity Profile



Aggregate borrowings drawn down as at 31 March 2017: S\$ 241.1 million



Gearing Ratio

32.5¹%

31 Mar 2017

Average Cost of Debt

3.63%

31 Mar 2017

Weighted Average Term To Maturity

1.7 years

31 Mar 2017

1. Based on total loans and borrowings principal attributable to Unitholders divided by total assets attributable to Unitholders.

- About 70% of debt denominated in functional currency of the REIT (SGD).
- Apart from the natural hedge from RMB denominated borrowings, close to 50% of the SGD denominated borrowing are on a fixed interest rate basis.

Engaging the Community



Engaging the Community



**Engaging Shoppers
via Marketing Activities**



**Engaging Tenants
via Seminars & Trainings**



**Engaging Community
via CSR Activities**



**Engaging Staff
via Regular Communication**

Engaging Shoppers via Marketing Activities



Beijing Wanliu Mall

Chengdu Konggang Mall

Hefei Mengchenglu Mall



The Wizard of Oz Children Show



PINK! Street Dance Performance



Pre-School Joint Event



Food Festival



Fashion Runway



The Voice of China



Beijing Wanliu – Tenants Training

- Orientation
- Fire Safety
- Security
- Improve service quality
- Increase sales

Engaging the Community Corporate Social Responsibility



**Public Auction Charity Event
Beijing Wanliu Mall**



**Kindness Flea Market
Hefei Mengchenglu Mall**



**Folk Cultural Festival
Hefei Mengchenglu Mall**



**Great Workout. Great Health
Hefei Mengchenglu Mall**



**Blind Date Event
Beijing Wanliu Mall**

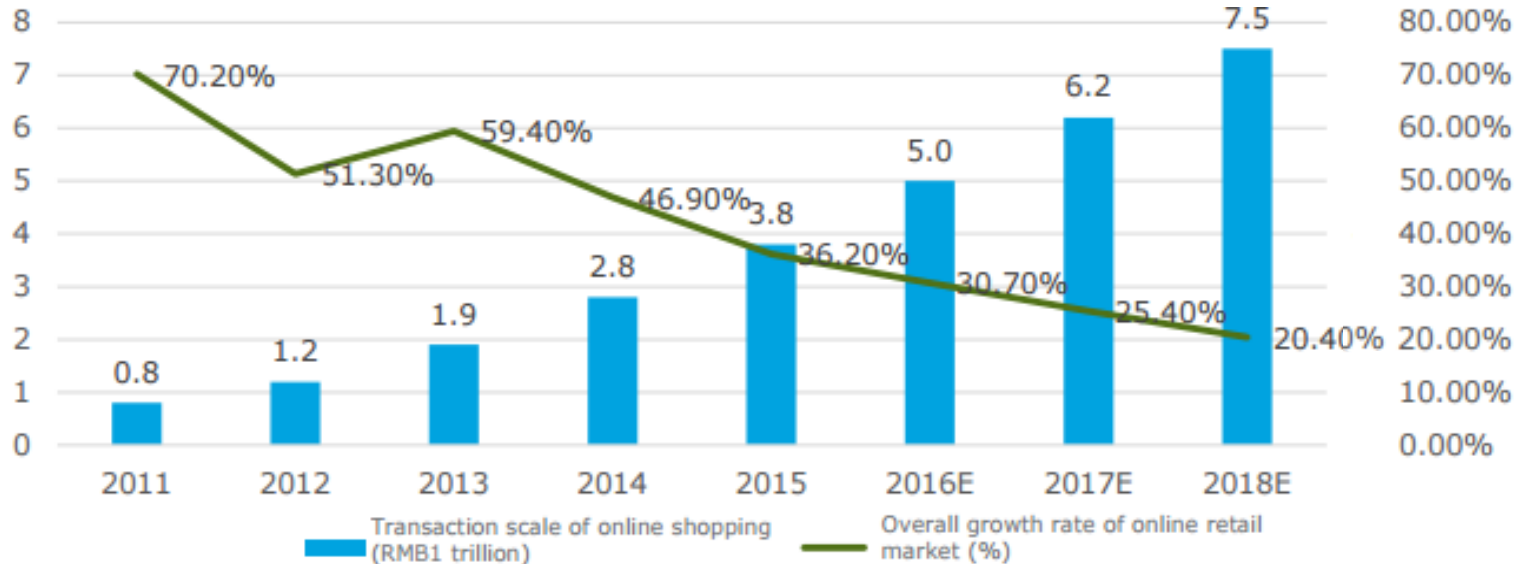


**Students' Entrepreneurship Day
Chengdu Konggang Mall**

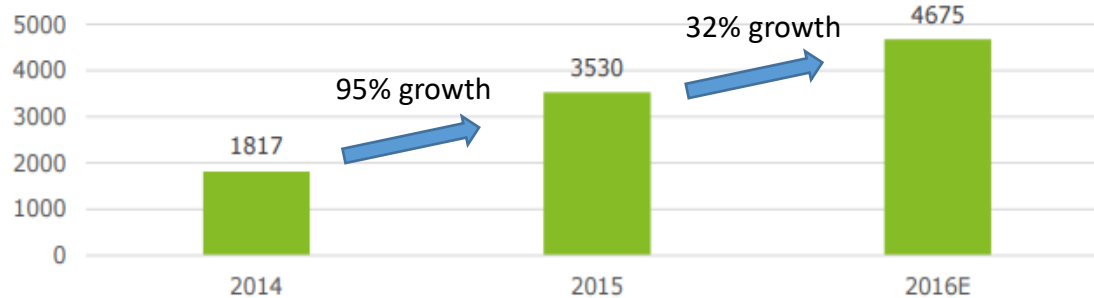
E-commerce and Shopping Malls



- E-commerce sales in China aggregated to US\$630 billion in 2015, representing 13.5% of all retail spending. (Source: Mckinsey April 2016)
- Transaction scale of China's online retail market ¹



- Rural online shopping market (RMB100 million) ²

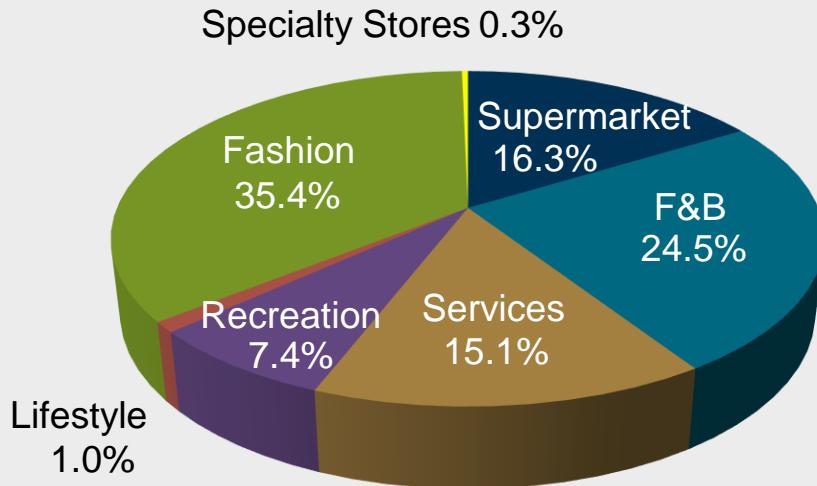


1. iResearch Consulting Group
2. China E-Business Research Center

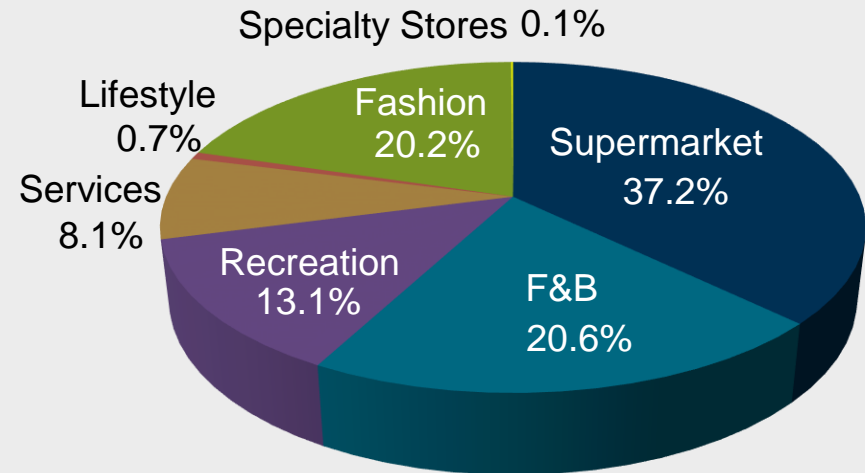
- According to Mckinsey's latest survey of China's internet users, two-thirds of Chinese consumers say that shopping is still the best way to spend time with family.
(Source: Mckinsey 2016 China Consumer Report)

- Experiential-Focused Trade Mix**

Breakdown of Gross Rental Income¹ by Trade Sector



Breakdown of NLA² by Trade Sector



Close to 65% of Gross Rental Income and 80% of NLA from experiential segment (exclude fashion and specialty stores)

1 As percentage of the portfolio's gross rental income for the month of March 2017.

2 As percentage of the portfolio's net lettable area as at 31 March 2017.

O2O

Marketing Activities Online-to-Offline (Physical)

- In collaboration with Alibaba and Alipay, tenants are able to attract online customers using vouchers to shop at our physical malls.
- **Alibaba.com**
Alipay.com

O+O

Tenants Online + Offline (Physical)

- Cinema tickets purchased online
- F&B dining vouchers
Redeem Dining Discount Vouchers via Wechat and online platforms
- Food Delivery
Food delivery apps allow businesses to reach out to a larger pool of customers, while retaining the importance of a physical store

O2O Online platforms opening physical stores

Alibaba 阿里巴巴

- Entered into an online-and-offline physical supermarket 盒马鲜生.
- Allows customers to purchase fresh goods at physical stores, as well as via an online app and delivering to door steps.
- Currently has 8 stores, 7 in Shanghai and 1 in Ningbo.

Alibaba.com
阿里巴巴



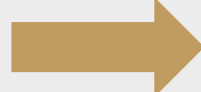
Xiaomi 小米

- 5th largest smartphone maker in the world.[^]
- Founded in 2010 with no physical stores.
- First physical store opened in September 2015.
- Today, Xiaomi has 65 physical stores all over China.

[^] International Data Corporation (IDC) January 2016

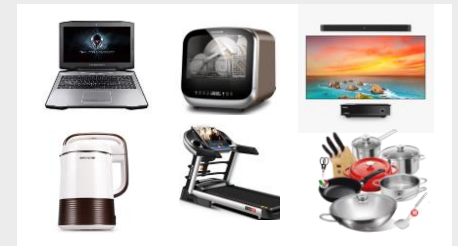


xiaomi.com
小米

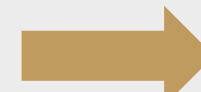


Jingdong 京东 jd.com

- One of the largest online retailers in China.
- First offline retail store opened in 2015.
- As at the end of 2016, Jingdong has about 1,700 physical stores.



Jingdong 京东
jd.com



Looking Forward



Robust Retail Outlook in China¹



+6.9%

China GDP
Growth in
1Q 2017
(y-o-y)

+6.5%

China GDP
Growth
Forecast 2017²
(y-o-y)

+10.0%

China Retail Sales
Growth
in 1Q 2017
(y-o-y)

+6.3%

Disposable income
per capita for
urban residents in
1Q 2017
(Real growth)
(y-o-y)

Urban residents
increase from
56.1% in 2015 to
57.3% in 2016

Two child
Policy
from 2016

1. Source: National Bureau of Statistics of China

2. Source: National Development and Reform Commission of the People's Republic of China

Organic Growth

Proactive Asset Management

- Reinforce community positioning of our malls
- Improve rents while maintaining high occupancy rates
- Build firm partnerships with tenants, and demonstrate proactive tenant management
- Proactive marketing strategies
- Tap on Sponsor and Group retailer network and experience

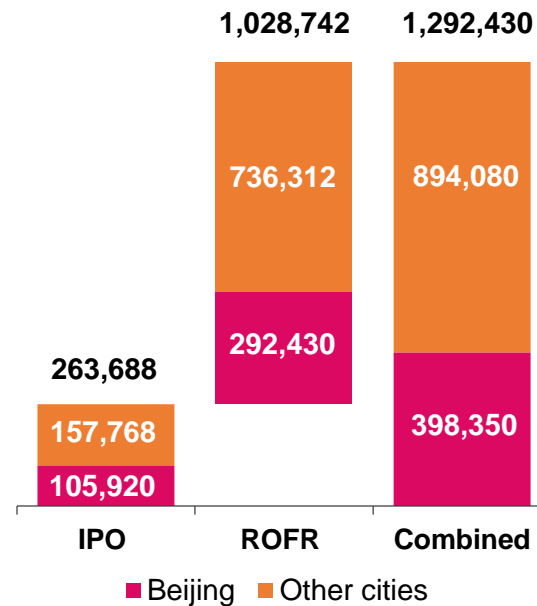
Proactive Asset Enhancement

- Identify opportunities to improve the malls
- Achieve better efficiency or higher rental potential
- Upgrade existing facilities and reconfigure existing spaces

Acquisition Growth

14 Voluntary ROFRs Properties In The Pipeline [^]

14 ROFR Properties (GFA sqm)
(as at 31 March 2017)



Explore Acquisition Opportunities In Other Quality Income-Producing Retail Properties

Key criteria:

- Yield accretive
- Location (Ease of access, connectivity, targeted catchment, concentration of competitors, etc)
- Potential for asset enhancement

[^] 11 ROFRs from Sponsor, 3 ROFRs from a private fund managed by a fund manager 50% owned by Beijing Hualian Group Investment Holding Co. Ltd.

Thank you

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
Mailing address: 100 Beach Road, #25-11 Shaw Tower, Singapore 189702
Website: <http://www.bhgreit.com>

