



## **UPDATE ON BHG RETAIL REIT'S OPERATIONS**

### **IN RELATION TO DEVELOPMENTS OF THE COVID-19 SITUATION IN CHINA, AND RELIEF MEASURES FOR QUALIFYING TENANTS**

**SINGAPORE, 10 March 2020** – BHG Retail Trust Management Pte. Ltd., as manager of BHG Retail REIT (the “**Manager**”) endeavors to keep our stakeholders abreast of BHG Retail REIT’s operations amidst ongoing developments of the novel coronavirus (“**COVID-19**”) outbreak.

#### **Hefei Mengchenglu & Hefei Changjiangxilu Malls to Reopen**

Following the announcement made on 7 February 2020 on the temporary closure of certain stores in Hefei Mengchenglu Mall and Hefei Changjiangxilu Mall, the Manager would like to announce that Hefei Mengchenglu Mall and Hefei Changjiangxilu Mall have reopened today upon approval from the relevant local authorities.

#### **All Other Properties Remain Open**

All the other properties in BHG Retail REIT’s portfolio, remain open and will continue to serve their respective communities, albeit on shortened operating hours. The Manager, together with the property managers, will remain proactive and vigilant in the prevention and control of the spread of COVID-19. Preventive measures to be kept in place include temperature screening at entrances, efforts to clean and disinfect facilities and public areas, limiting activities with mass gatherings and putting in place contact tracing procedures to monitor the well-being of employees, tenants’ employees, and visitors. Separately, Badaling Outlets, which the Manager has proposed to acquire, also remains open.

#### **Relief Arrangements Extended to Qualifying Tenants**

As a socially-responsible owner of retail malls that operate in the community space, BHG Retail REIT will be offering relief arrangements such as rental rebates to qualifying tenants to help our valued tenants tide over the COVID-19 situation, and reinforce our relationship with them. As the COVID-19 situation remains fluid, the full financial impact on BHG Retail REIT cannot be ascertained at this juncture. Notwithstanding this near-term headwind, BHG Retail REIT’s long-term strategy is well-positioned to benefit from China’s rising residents’ income and consumption upgrade. Given the fluidity of the

COVID-19 situation, the Manager will continue to monitor and provide updates on any material developments as soon as practicable.

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**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.

As at 31 December 2019, the REIT's portfolio comprises six retail properties, Beijing Wanliu (60%), Chengdu Konggang, Hefei Mengchenglu, Hefei Changjiangxilu, Xining Huayuan, Dalian Jinsanjiao located in Tier 1, Tier 2 and other cities of significant economic potential in China. The portfolio gross floor area of about 311,691 sqm, has a committed occupancy of 96.7% as at 31 December 2019.

As at the latest date of valuation, total appraised value was approximately RMB 4,707 million. Under voluntary right of first refusal agreements, 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 and net asset value 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:

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**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.