



## BHG RETAIL REIT

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

### ANNOUNCEMENT ON (1) TERMINATION OF EXISTING GUARANTEE AGREEMENTS WITH BEIJING HUALIAN HYPERMARKET CO., LTD. AND (2) ENTRY INTO NEW GUARANTEE AGREEMENTS WITH BEIJING HUALIAN GROUP INVESTMENT HOLDING CO., LTD.

#### 1. INTRODUCTION

1.1 BHG Retail Trust Management Pte. Ltd., as manager of BHG Retail Real Estate Investment Trust (“**BHG Retail REIT**”, and as manager of BHG Retail REIT, the “**Manager**”), wishes to announce that BHG Retail REIT’s wholly-owned subsidiaries (namely, Beijing Hualian Wanmao Shopping Mall Management Co., Ltd. (北京华联万贸购物中心经营有限公司), Chengdu Hairong Xingda Real Property Co., Ltd. (成都海融兴达置业有限公司), Hefei Hualian Ruicheng Shopping Plaza Commercial Operation Ltd. (合肥华联瑞诚购物广场商业运营有限公司), Qinghai Xinglian Real Property Co., Ltd. (青海兴联置业有限公司) and Dalian Hualian Commercial Facilities Operation Co., Ltd. (大连华联商用设施运营有限公司)) (collectively, the “**REIT Subsidiaries**” or “**Lessors**”):

1.1.1 had, on 6 December 2022, each entered into a fresh guarantee agreement (collectively, the “**New Guarantee Agreements**”) with Beijing Hualian Group Investment Holding Co., Ltd. (北京华联集团投资控股有限公司) (“**BHGIH**”), pursuant to which BHGIH guarantees the obligations of the respective Lessees under the Leases (each as defined below) in favour of the respective REIT Subsidiaries; and

1.1.2 have, today, each entered into a termination agreement (collectively, the “**Termination Agreements**”) with Beijing Hualian Hypermarket Co., Ltd. (北京华联综合超市股份有限公司) (“**BHH**”)<sup>1</sup> to terminate the existing guarantee agreements executed by BHH (collectively, the “**Existing Guarantee Agreements**”) to guarantee the obligations of Beijing Hualian Life Supermarket Co., Ltd. (北京华联生活超市有限公司), Sichuan North Hualian Supermarket Co., Ltd. (四川北华联超市有限公司), Beijing Hualian Supermarket Anhui Co., Ltd. (北京华联综合超市安徽有限公司), Qinghai Hualian Integrated Supermarket Co., Ltd. (青海华联综合超市有限公司), and Liaoning North Hualian Integrated Supermarket Co., Ltd. (辽宁北华联综合超市有限公司) (the

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<sup>1</sup> For the avoidance of doubt, BHH is not an “interested party” (for the purposes of Appendix 6 of the Code on Collective Investment Schemes) or “interested person” (for the purposes of the listing manual of Singapore Exchange Securities Trading Limited (“**SGX-ST**” and the listing manual of SGX-ST, the “**Listing Manual**”)) of BHG Retail REIT as (i) it is not an associate (as defined under the Listing Manual) of BHGIH (as defined below) which only holds 29.09% of the total issued equity interest of BHH as at 30 September 2022, (ii) it is not a controlling shareholder of the Manager and (iii) it is not a controlling unitholder of BHG Retail REIT. Please refer to page 277 of the IPO prospectus of BHG Retail REIT for the disclosure of the foregoing.

“Lessees”) under the leases at Beijing Wanliu, Chengdu Konggang, Hefei Changjiangxilu, Xining Huayuan, and Dalian Jinsanjiao, respectively (the “Leases”).

## 2. BACKGROUND

2.1 As at the date of this Announcement, BHG Retail REIT's portfolio comprises:

- 2.1.1 60.0% interest in Beijing Wanliu (北京华联万柳购物中心) in Beijing;
- 2.1.2 Chengdu Konggang (北京华联成都空港购物中心) in Chengdu, Sichuan Province;
- 2.1.3 Hefei Mengchenglu (北京华联合肥蒙城路购物中心) in Hefei, Anhui Province;
- 2.1.4 Hefei Changjiangxilu (北京华联合肥长江西路购物中心) in Hefei, Anhui Province;
- 2.1.5 Xining Huayuan (北京华联西宁花园店) in Xining, Qinghai Province; and
- 2.1.6 Dalian Jinsanjiao (北京华联大连金三角店) in Dalian, Liaoning Province,

whereby each of the relevant Lessees is the largest tenant of Beijing Wanliu, Chengdu Konggang, Hefei Changjiangxilu, Xining Huayuan and Dalian Jinsanjiao, respectively, the details of which are set out below:

Property	Provinces	REIT Subsidiary/ Lessor	Lessee
Beijing Wanliu (北京华联万柳购物中心)	Beijing	Beijing Hualian Wanmao Shopping Mall Management Co., Ltd. (北京华联万贸购物中心经营有限公司)	Beijing Hualian Life Supermarket Co., Ltd. (北京华联生活超市有限公司)
Chengdu Konggang (北京华联成都空港购物中心)	Sichuan	Chengdu Hairong Xingda Real Property Co., Ltd. (成都海融兴达置业有限公司)	Sichuan North Hualian Supermarket Co., Ltd. (四川北华联超市有限公司)
Hefei Changjiangxilu (北京华联合肥长江西路购物中心)	Anhui	Hefei Hualian Ruicheng Shopping Plaza Commercial Operation Ltd. (合肥华联瑞诚购物广场商业运营有限公司)	Beijing Hualian Supermarket Anhui Co., Ltd. (北京华联综合超市安徽有限公司)
Xining Huayuan (北京华联西宁花园店)	Qinghai	Qinghai Xinglian Real Property Co., Ltd. (青海兴联置业有限公司)	Qinghai Hualian Integrated Supermarket Co., Ltd. (青海华联综合超市有限公司) (master-leased)

Dalian Jinsanjiao (北京华联大连金三角店)	Liaoning	Dalian Hualian Commercial Facilities Operation Co., Ltd. (大连华联商用设施运营有限公司)	Liaoning North Hualian Integrated Supermarket Co., Ltd. (辽宁北华联综合超市有限公司) (master-leased)
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2.2 In order to guarantee the obligations of each of the Lessees under the Leases, BHH had in 2020 executed the Existing Guarantee Agreements in favour of each of the Lessors (the “Existing Guarantee Agreements”), as follows:<sup>2</sup>

Property	Existing Guarantor	Guaranteed Party (i.e., the Lessor)
Beijing Wanliu (北京华联万柳购物中心)	BHH	Beijing Hualian Wanmao Shopping Mall Management Co., Ltd. (北京华联万贸购物中心经营有限公司)
Chengdu Konggang (北京华联成都空港购物中心)	BHH	Chengdu Hairong Xingda Real Property Co., Ltd. (成都海融兴达置业有限公司)
Hefei Changjiangxilu (北京华联合肥长江西路购物中心)	BHH	Hefei Hualian Ruicheng Shopping Plaza Commercial Operation Ltd. (合肥华联瑞诚购物广场商业运营有限公司)
Xining Huayuan (北京华联西宁花园店)	BHH	Qinghai Xinglian Real Property Co., Ltd. (青海兴联置业有限公司)
Dalian Jinsanjiao (北京华联大连金三角店)	BHH	Dalian Hualian Commercial Facilities Operation Co., Ltd. (大连华联商用设施运营有限公司)

2.3 As at the date of the Existing Guarantee Agreements, each of the Lessees is a wholly-owned subsidiary of BHH.

2.4 As announced by BHH on 19 October 2022, BHH intends to sell all of its assets and liabilities to BHGIH (or a party designated by BHGIH) as part of its restructuring efforts to adapt to changes in the supermarket business (the “Restructuring”) in the People’s Republic of China. As part of its Restructuring, the Lessees, among others, will be sold to BHGIH and will become the wholly-owned subsidiaries of BHGIH.

2.5 BHH had on 13 October 2022 obtained the approval of the China Securities Regulatory Commission for the Restructuring. Upon completion of the Restructuring, BHH will no longer

<sup>2</sup> Please refer to the announcement titled “Novation of leases entered into with Beijing Hualian Hypermarket Co., Ltd. to its wholly-owned subsidiaries” dated 11 September 2020 and the announcement titled “Resizing of area in Wanliu Mall leased by Beijing Hualian Hypermarket Co., Ltd.” dated 15 November 2020, for further details on the Leases and Existing Guarantee Agreements.

be able to provide the guarantees under the Existing Guarantee Agreements as BHH and the Lessees will no longer be related parties. BHGIH as the ultimate parent of the Lessees will therefore be the appropriate party to guarantee the obligations of the Lessees under the Leases.

- 2.6 Therefore, the Existing Guarantee Agreements have been terminated pursuant to the Termination Agreements and replaced with the New Guarantee Agreements with effect from 7 December 2022, as follows:

Property	New Guarantor	Guaranteed Party (i.e., the Lessor)
Beijing Wanliu (北京华联万柳购物中心)	BHGIH	Beijing Hualian Wanmao Shopping Mall Management Co., Ltd. (北京华联万贸购物中心经营有限公司)
Chengdu Konggang (北京华联成都空港购物中心)	BHGIH	Chengdu Hairong Xingda Real Property Co., Ltd. (成都海融兴达置业有限公司)
Hefei Changjiangxilu (北京华联合肥长江西路购物中心)	BHGIH	Hefei Hualian Ruicheng Shopping Plaza Commercial Operation Ltd. (合肥华联瑞诚购物广场商业运营有限公司)
Xining Huayuan (北京华联西宁花园店)	BHGIH	Qinghai Xinglian Real Property Co., Ltd. (青海兴联置业有限公司)
Dalian Jinsanjiao (北京华联大连金三角店)	BHGIH	Dalian Hualian Commercial Facilities Operation Co., Ltd. (大连华联商用设施运营有限公司)

- 2.7 The New Guarantee Agreements provide, among others, that BHGIH (in its capacity as the new guarantor ) unconditionally and irrevocably guarantees to the Lessors that:

2.7.1 BHGIH will guarantee that each of the Lessees will perform timely all its obligations under each of the Leases; and

2.7.2 BHGIH abides by and undertakes to fulfil all its obligations under each of the New Guarantee Agreements such that if any of the Lessees fails to perform its obligations under the Leases, BHGIH will immediately, unconditionally and irrevocably assume the continuing guarantee obligations owed to the relevant REIT Subsidiary when requested by the relevant REIT Subsidiary.

### 3. NEW GUARANTEE AGREEMENTS

- 3.1 BHGIH holds, through its wholly-owned subsidiary, Beijing Hua Lian Group (Singapore) International Trading Pte. Ltd., a deemed interest in 194,799,037 units of BHG Retail REIT (the “Units”), which is equivalent to approximately 37.64% of the Units as at 30 September 2022,<sup>3</sup> and is therefore regarded as a “controlling unitholder” of BHG Retail REIT under the Listing Manual. For the purposes of Chapter 9 of the Listing Manual, BHGIH (being a “controlling

<sup>3</sup> As at 30 September 2022, there are a total of 517,484,953 Units in issue.

unitholder” of BHG Retail REIT) is an “interested person” (for the purposes of the Listing Manual).

- 3.2 As BHGIH is an “interested person” (for the purposes of the Listing Manual), the proposed entry into the New Guarantee Agreements is an “interested person transaction” under Chapter 9 of the Listing Manual.
- 3.3 In accordance with Rule 905 of the Listing Manual, an announcement must be made if any interested person transaction is of a value equal to, or more than, 3% of the latest audited net tangible assets of BHG Retail REIT and its subsidiaries. Pursuant to Rule 909 of the Listing Manual, the value of an interested person transaction is the amount at risk to BHG Retail REIT.
- 3.4 The Manager has evaluated the credit worthiness of BHGIH as against the credit worthiness of BHH (the Existing Guarantor) at the time when the Existing Guarantee Agreements were entered into, and is satisfied that BHGIH’s credit worthiness is as good as BHH’s and that BHGIH is an appropriate party to guarantee the obligations of the Lessees under the Existing Guarantee Agreements as BHGIH will be the ultimate parent of the Lessees. On this basis, the Manager has determined that the transaction amount of the New Guarantee Agreements is zero for the purposes of Chapter 9 of the Listing Manual.

**BY ORDER OF THE BOARD**

BHG Retail Trust Management Pte. Ltd.  
(as manager of BHG Retail Real Estate Investment Trust)  
(Company Registration No. 201504222D)

Chan Iz-Lynn  
Chief Executive Officer  
7 December 2022

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This Announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, 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, (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.

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