



POISED FOR G R O W T H

BHG RETAIL REIT ANNUAL GENERAL MEETING

10 April 2017



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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.

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Looking Forward

Issuer	BHG RETAIL REIT Singapore's First Pure-Play China Retail REIT Sponsored By A China-Based Group
Listing Date	11 December 2015
Portfolio	5 Properties in China Beijing, Chengdu, Hefei, Xining, Dalian
Manager	BHG Retail Trust Management Pte Ltd
Investment Mandate	Income-producing real estate used primarily for retail purposes, with an initial focus on China.

Business Highlights



Chengdu Konggang 成都空港

5.45cents
Distribution
per Unit¹

7.87%
Annualised
Distribution
Yield²

97.6%
Portfolio
Committed
Occupancy³

+4.2%
Property
Valuation

31 Dec 2016⁴: S\$ 810.7 m
30 Jun 2015⁵: S\$ 778.0 m

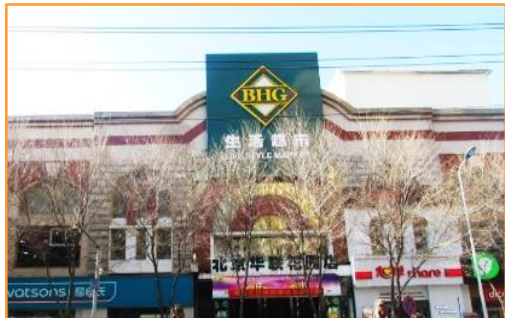
S\$0.85
Net Asset
Value³

1. For the period from 11 December 2015 (“Listing Date”) to 31 December 2016.
2. Based on annualised DPU for the period from 11 December 2015 (“Listing Date”) to 31 December 2016, and closing price of S\$0.655 as at 30 December 2016.
3. As at 31 December 2016
4. Based on independent valuation from Knight Frank Petty Limited and an exchange rate of SGD 1 : RMB 4.798 as at 31 December 2016.
5. Based on average of independent valuation from Knight Frank Petty Limited and DTZ Debenham Tie Leung Limited as at 30 June 2015 as set out in the prospectus dated 2 December 2015 (the “Prospectus”).

Portfolio Summary



Strategically located in high-growth cities



Xining Huayuan Mall

Xining
西宁

Beijing
北京



Beijing Wanliu Mall

Dalian
大连



Chengdu Konggang Mall

Chengdu
成都

Hefei
合肥



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



Beijing Wanliu 北京万柳

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	54,462 sqm
Leasable Floors	6
Car Park Lots	618
Occupancy ¹	99.5%
Valuation ²	S\$465.8m

1. As at 31 December 2016.
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	40,191 sqm
Leasable Floors	6
Car Park Lots	400
Occupancy¹	91.3%
Valuation²	\$S\$131.5m

1. As at 31 December 2016.
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.



Tenancy Rejuvenation at Basement One To Elevate Active Lifestyle Offering



Images attached herein are based on artist impression and are subject to change.

- 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.
- Project includes:
 - ✓ Asset enhancement work on basement one
 - ✓ Relocation of certain tenants from level two to basement one
 - ✓ Amongst the new and existing active lifestyle brands are Nike, Adidas, New Balance, Jordan, and Li-Ning (李宁).
- This project which commenced in 1Q 2017 and is expected to be completed around 3Q 2017, is part of a multi-phased project which will create value and strengthen the long-term quality and sustainability of the 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	25,228 sqm
Leasable Floors	6
Car Park Lots	268
Occupancy ¹	100.0%
Valuation ²	S\$121.7m

1. As at 31 December 2016.
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

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 December 2016.
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 December 2016.
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.



Financial Highlights



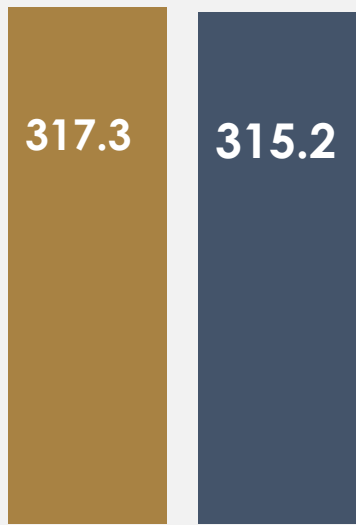
Stable and Resilient Performance



FY 2016¹

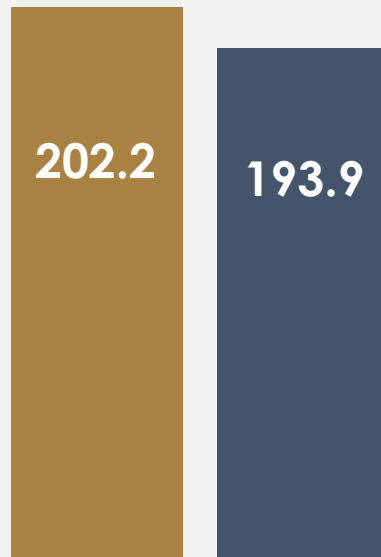
Gross Revenue
RMB million

▲ **0.7** %



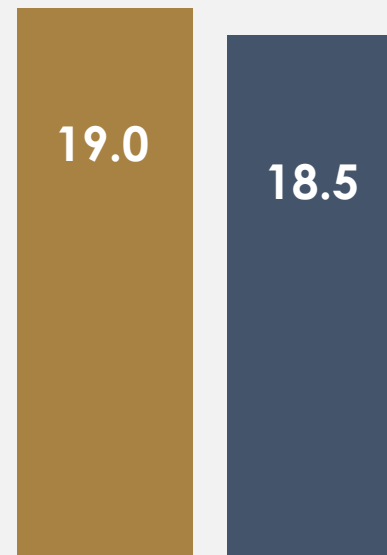
Net Property Income
RMB million

▲ **4.2** %



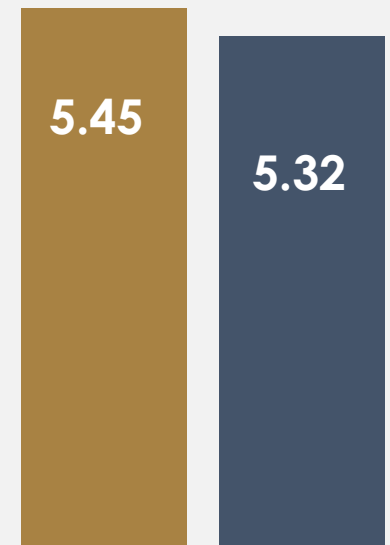
Amount Available For Distribution
S\$ million

▲ **2.9** %



Distribution Per Unit
Singapore cents

▲ **2.4** %



■ Actual ■ Forecast (as set out in the Prospectus)

1. For the financial period from 18 November 2015 (Date of Constitution) to 31 December 2016 ("FY 2016").

Net Asset Value Per Unit

▲ **3.7** %

31 Dec 2016 : S\$0.85
11 Dec 2015¹ : S\$0.82

Property Valuation

▲ **4.2** %

31 Dec 2016² : S\$ 810.7 million
30 Jun 2015³ : S\$ 778.0 million

Gearing Ratio

31.0⁴ %

31 Dec 2016

Average Cost of Debt

3.75 %

31 Dec 2016

Interest Coverage Ratio

14.1 times

31 Dec 2016

Weighted Average Term To Maturity For Debt

2.0 years

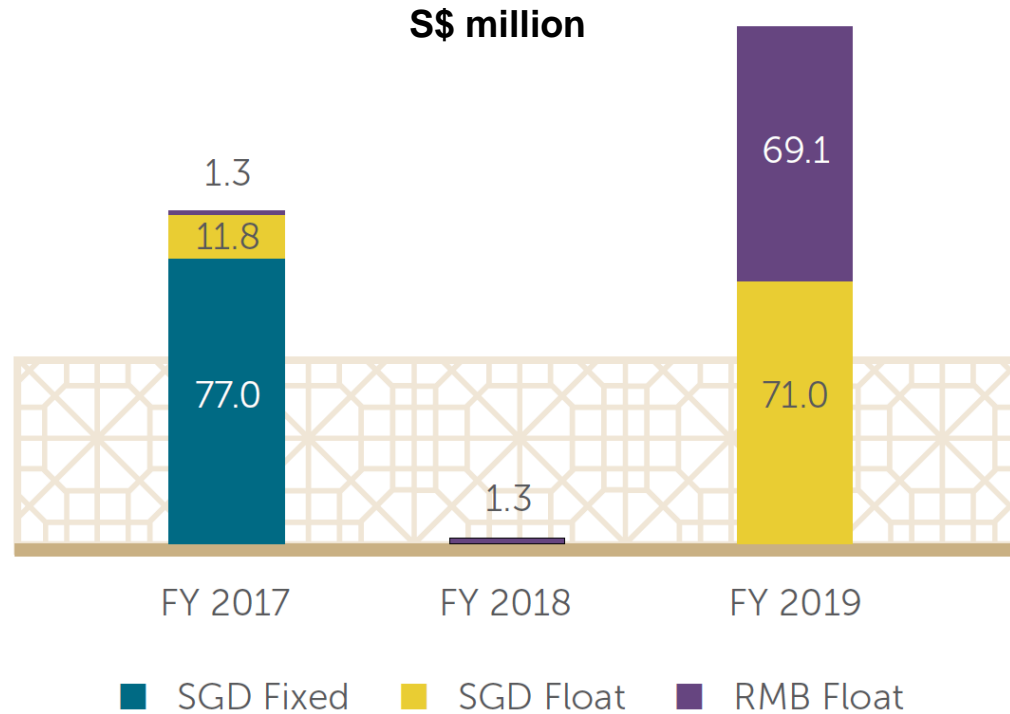
31 Dec 2016

1. 11 December 2015 (“Listing Date”)
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.
3. Based on average of independent valuation from Knight Frank Petty Limited and DTZ Debenham Tie Leung Limited as at 30 June 2015 (as set out in the Prospectus).
4. Based on total loans and borrowings principal attributable to Unitholders divided by total assets attributable to Unitholders.

Debt Maturity Profile



Aggregate borrowings drawn down as at 31 December 2016: S\$ 231.5 million



- Apart from the natural hedge from RMB denominated borrowings, approximately 50% of the SGD denominated borrowing are on a fixed interest rate basis.

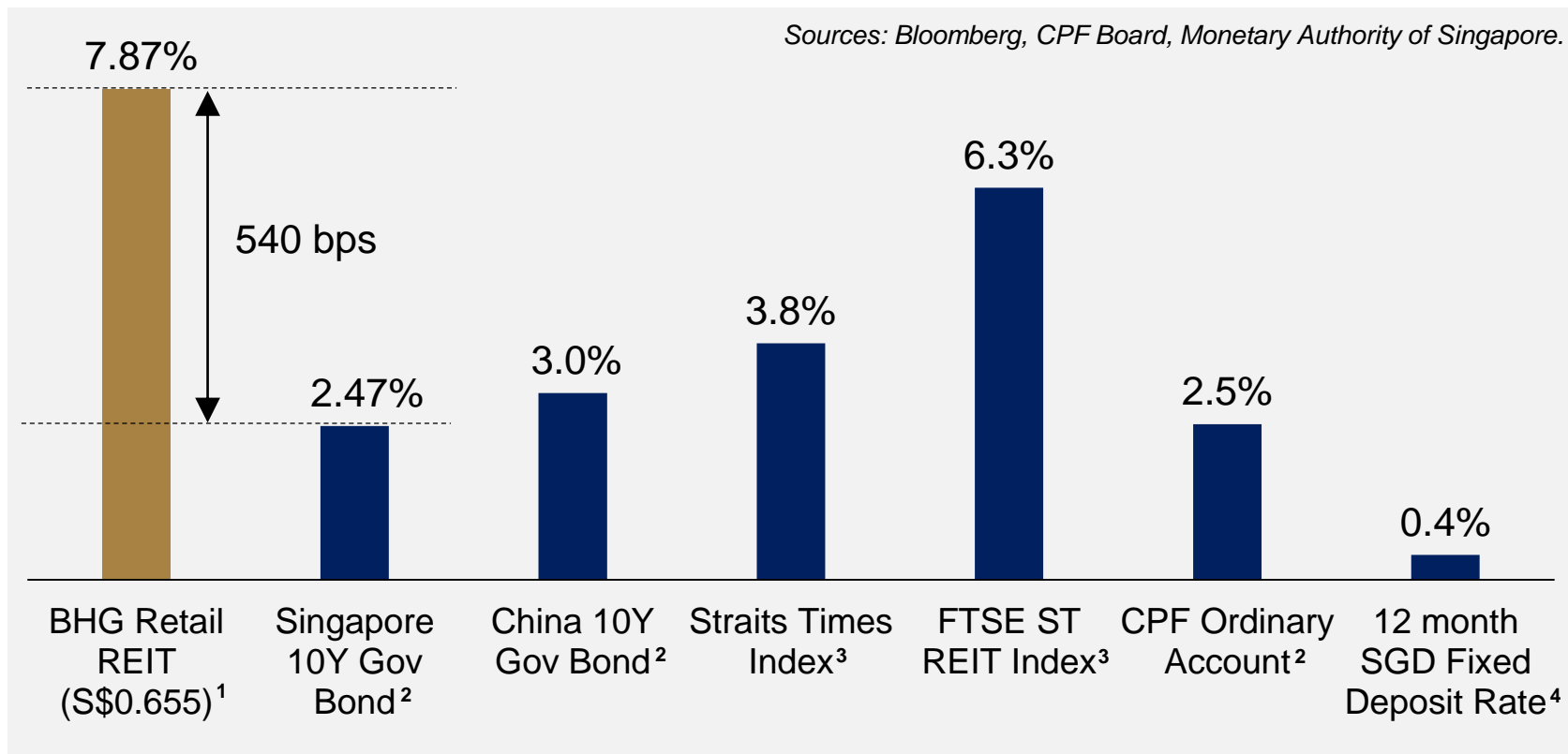
Healthy Financial Position



As at 31 December 2016	S\$'000
Total Assets	871,627
Total Liabilities	290,241
Net Assets Attributable to Unitholders	421,177
Net Asset Value per unit	S\$0.85
Gearing¹	31.0%

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

BHG Retail REIT trading at 540 bps risk premium above Singapore 10-year government bond yield



1. Based on annualised distribution per unit for the period from 11 December 2015 (Listing date) to 31 December 2016, and the unit closing price of S\$0.655 as at 30 December 2016.
2. As at 31 December 2016.
3. Based on the average gross dividend yield for the 12 months ended 31 December 2016.
4. Based on the average SGD fixed deposit rate for the 12 months ended 31 December 2016.

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



The Wizard of Oz Children Show

Chengdu Konggang Mall



PINK! Street Dance Performance

Hefei Mengchenglu Mall



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**

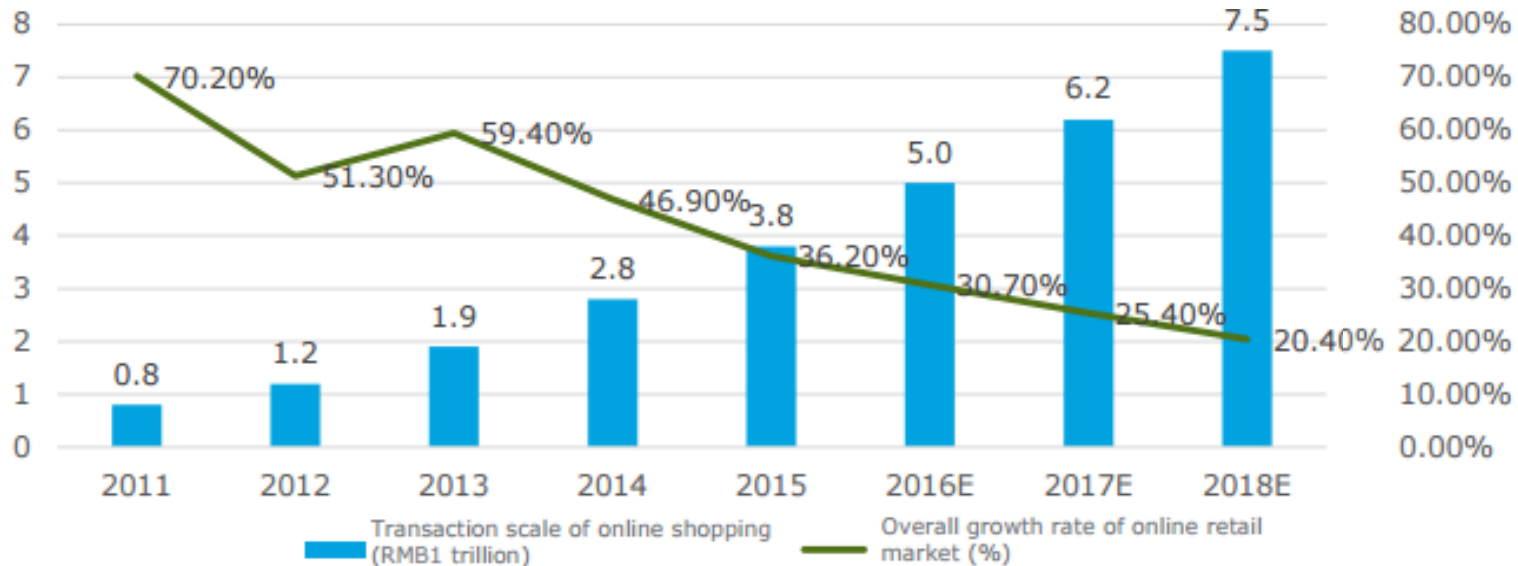


**Blind Date Event
Beijing Wanliu Mall**

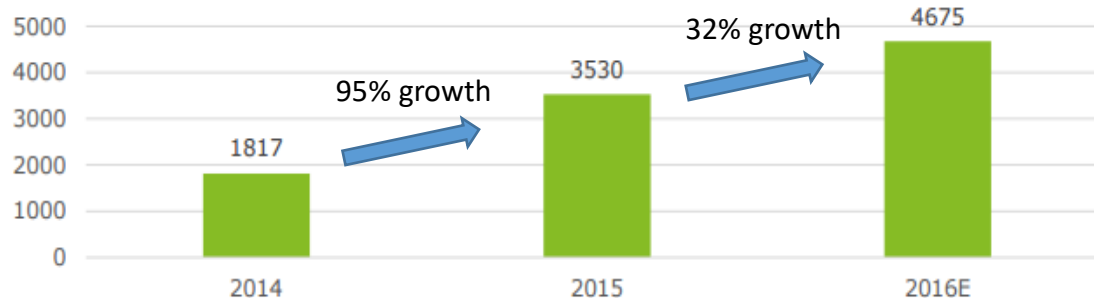


**Students' Entrepreneurship Day
Chengdu Konggang Mall**

- E-commerce 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

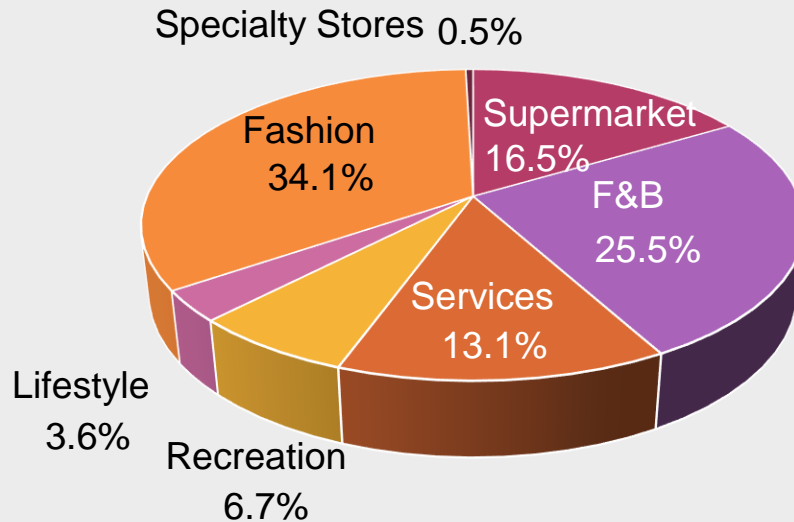


1. iResearch Consulting Group
 2. China E-Business Research Center

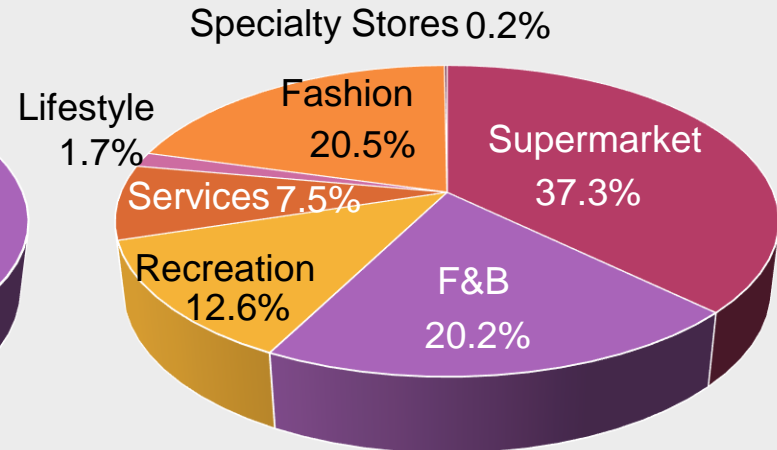
- According to Mckinsey's latest survey of China's internet users, two-thirds of Chinese consumers say that shopping is still the best way to spend time with family.
(Source: Mckinsey 2016 China Consumer Report)

- Experiential-Focused Trade Mix**

Breakdown of Gross Rental Income¹ by Trade Sector



Breakdown of NLA¹ by Trade Sector



Above 65% of Gross Rental Income, and close to 80% of NLA, from experiential segment (excludes fashion and specialty stores).

1 As at 31 December 2016

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

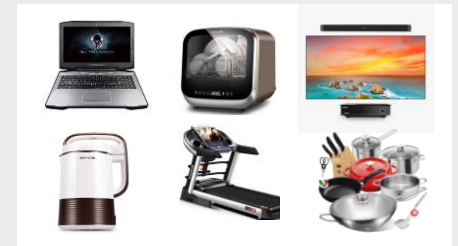


xiaomi.com
小米



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



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

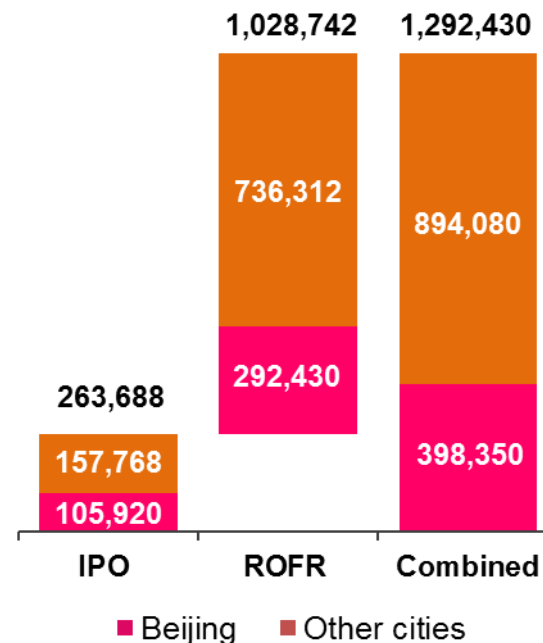
Proactive Asset Enhancement

- 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 in sqm)
(as at 16 February 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



Ordinary Resolutions

Resolution 1:

To receive and adopt the Report of the Trustee, the Statement by the Manager, the Audited Financial Statements of BHG Retail REIT for the financial period ended 31 December 2016 and the Auditor's Report thereon.

Resolution 2:

To re-appoint KPMG LLP as Auditors of BHG Retail REIT and authorise the Manager to fix the Auditors' remuneration.

Resolution 3:

To authorise the Manager to issue Units and make or grant convertible instruments, and issue Units pursuant to such instruments.