

BHG RETAIL REIT

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

PAYMENT OF MANAGER'S MANAGEMENT FEE AND PROPERTY MANAGEMENT FEE BY WAY OF ISSUE OF UNITS IN BHG RETAIL REIT AND CASH

BHG Retail Trust Management Pte. Ltd. (the "**Manager**"), as manager of BHG Retail REIT, wishes to announce that the Manager has elected to receive the base fee component of the Manager's management fee for the period from 1 October 2017 to 31 December 2017, comprising S\$70,000 in cash with the balance in the form of units in BHG Retail REIT ("**Units**").

The Manager will receive the full amount of the performance fee for the financial year ended 31 December 2017 in the form of Units.

The Property Manager has elected to receive the property management fee for the period from 1 October 2017 to 31 December 2017 in the form of Units.

1,197,135 Units have been issued at an issue price of S\$0.7450 per Unit as tabled below:-

Description	Period	Number of Units
Manager's Management Fee (base fee component)	1 October 2017 – 31 December 2017 (both dates inclusive)	560,883
Manager's Management Fee (performance fee component)	1 January 2017 – 31 December 2017 (both dates inclusive)	377,998
Property Management Fee	1 October 2017 – 30 December 2017 (both dates inclusive)	258,254
Total		1,197,135

The issue price per unit is the volume weighted average traded price for a unit for all trades on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in the ordinary course of trading for the period of ten business days immediately preceding 29 December 2017, being the last day for the period.

This manner of payment of the Manager's Management Fee and Property Management Fee was disclosed in the Prospectus of BHG Retail REIT dated 2 December 2015.

BY ORDER OF THE BOARD

BHG Retail Trust Management Pte. Ltd.
(Company Registration No.: 201504222D)
as Manager of BHG Retail REIT

Chan Iz-Lynn
Chief Executive Officer
6 March 2018

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 SGXST 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 Regulations 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.