



BHG RETAIL REIT 北京华联商业信托

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

Offering of 151,169,000 Units (subject to the Over-Allotment Option (as defined herein))
Offering Price: S\$0.80 per Unit

Prior to making a decision to purchase the Units, you should carefully consider all the information contained in the Prospectus. This Product Highlights Sheet should be read in conjunction with the Prospectus. You will be subject to various risks and uncertainties, including the potential loss of your entire principal amount invested. If you are in doubt as to investing in the Units, you should consult your legal, financial, tax or other professional adviser.

This Product Highlights Sheet is an important document.

- It highlights the key information and risks relating to the offer of the Units contained in the Prospectus. It complements the Prospectus.¹
- You should not purchase the Units if you do not understand the nature of an investment in units in a real estate investment trust, BHG Retail REIT's business or are not comfortable with the accompanying risks.
- If you wish to purchase the Units, you will need to make an application in the manner set out in the Prospectus. If you do not have a copy of the Prospectus, please contact us to ask for one.

Manager/Trustee/ Sponsor	<ul style="list-style-type: none"> • Manager: BHG Retail Trust Management Pte. Ltd. • Trustee: DBS Trustee Limited • Sponsor: Beijing Hualian Department Store Co., Ltd. 	Place of Incorporation	<ul style="list-style-type: none"> • BHG Retail REIT is constituted in Singapore • Manager: Singapore • Trustee: Singapore • Sponsor: PRC
Details of this offer	<ul style="list-style-type: none"> • Total number of Units to be offered (subject to the Over-Allotment Option): 151,169,000 Units • Placement Tranche: no more than 143,169,000 Units • Public Offer: no less than 8,000,000 Units 	Total amount to be raised in this offer	Gross proceeds from the Offering and the issuance of the Sponsor Units, the Strategic Investor Units and the Cornerstone Units: S\$394.2 million

¹ The Prospectus, lodged with and registered by the Monetary Authority of Singapore on 23 November 2015 and 2 December 2015, respectively, is available for collection, subject to availability, during office hours from DBS Bank Ltd., and where applicable, from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore or accessible at the SGX-ST website: <http://www.sgx.com>.

Issue Price	S\$0.80 for each Unit	Listing status of BHG Retail REIT and the Units	<p>BHG Retail REIT has received a letter of eligibility from the SGX-ST for the listing and quotation of (i) all Units comprised in the Offering, (ii) the Sponsor Units, (iii) the Strategic Investor Units, (iv) the Cornerstone Units, (v) all the Units which will be issued to the Manager from time to time in full or part payment of the Manager's fees, and (vi) all the Units which will be issued to the Property Manager from time to time in full or part payment of the Property Manager's fees.</p> <p>The Units are expected to be listed on 11 December 2015.</p>
Issue Manager(s)	DBS Bank Ltd.	Underwriter(s)	DBS Bank Ltd.

OVERVIEW

WHO ARE WE AND WHAT DO WE DO?

BHG Retail REIT is a Singapore REIT established with the investment strategy of investing principally, directly or indirectly, in a diversified portfolio of income-producing real estate which is used primarily² 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. BHG Retail REIT is focused on investing in quality retail properties which are strategically located in Tier 1, Tier 2 and other cities of significant economic potential in China.

The IPO Portfolio will comprise five retail properties in the PRC. The table below sets out certain information on the IPO Portfolio.

	Beijing Mall	Hefei Mall	Chengdu Mall	Dalian Property	Xining Mall	Total
Location	Beijing	Hefei	Chengdu	Dalian	Xining	–
End Construction Year	2009	2013	2013	2000	2000	–
GFA (sq m)	105,920	49,699	71,917	15,345	20,807	263,688
Valuation by DTZ as at 30 June 2015 (\$m)	258.1 (Based on 60% interest)	120.7	132.8	35.7	59.1	606.4 (Based on 60% interest of Beijing Mall)

Refer to “Overview” on page 1, “Business and Properties” on page 193 and “The Manager and Corporate Governance” on page 240 of the Prospectus for more information.

² The term “**primarily**” shall mean more than 50.0% of NLA or (in the case of a property where the concept of NLA is not applicable) GFA of a property is used for retail purposes.

Valuation by Knight Frank as at 30 June 2015 (S\$m)	258.3	123.0	129.8	34.8	59.6	605.5 (Based on 60% interest of Beijing Mall)
Agreed Property Value (S\$m)	239.1 (Based on 60% interest of Beijing Mall)	121.4	129.7	29.0	53.9	573.1 (Based on 60% interest of Beijing Mall)

BHG Retail REIT was constituted on 18 November 2015 and Beijing Hualian Department Store Co., Ltd. is the sponsor of BHG Retail REIT.

BHG Retail Trust Management Pte. Ltd. is the manager of BHG Retail REIT. The Manager was incorporated in Singapore on 12 February 2015. It has an issued and paid-up capital of S\$5.0 million. The Manager has been issued a capital markets services licence for REIT management on 1 December 2015. The Manager is indirectly wholly-owned by the Sponsor.

The trustee of BHG Retail REIT is DBS Trustee Limited. It is a company incorporated in Singapore and registered as a trust company. It is approved to act as a trustee for authorised collective investment schemes under Section 289(1) of the SFA. As at the date of the Prospectus, DBS Trustee Limited has a paid-up capital of S\$2.5 million.

WHO ARE OUR DIRECTORS AND KEY EXECUTIVES?

The Manager's board of directors comprise the following directors:

- (a) Francis Siu Wai Keung (Chairman and Independent Director)
- (b) Ben Yeo Chee Seong (Independent Director)
- (c) Lau Teck Sien (Independent Director)
- (d) Niu Xiaohua (Non-Executive Director)
- (e) Xiong Zhen (Non-Executive Director)
- (f) Peng Ge (Non-Executive Director)

The Manager's key executives are Chan Iz-Lynn (Chief Executive Officer), Chai Hoon Teng (Chief Financial Officer), Wang Chunfang (Chief Investment Officer) and Wu Ming (Finance Manager).

Refer to "The Manager and Corporate Governance" on page 240 of the Prospectus for more information on the directors and management of the Manager.

WHO ARE OUR CONTROLLING UNITHOLDERS AND SPONSOR?

As at the date of the Prospectus, Zhang Gaobo (the "**Vendor**"), who is unrelated to the BHG Group's companies, holds 100.0% of the total number of Units in issue. Separate from the Offering, the Vendor's Units will be redeemed by the Manager at S\$1.00 per Unit (the "**Redemption**"). Following the Offering, the Sponsor is expected to indirectly hold 5.0% of the total number of Units in issue through Beijing Hualian Mall (Singapore) Commercial Management Pte. Ltd., and Beijing Hualian Group (Singapore) International Trading Pte. Ltd. (the "**Strategic Investor**") is expected to hold 30.1% of the total number of Units in issue, both as at the Listing Date (assuming that the Over-Allotment Option is not exercised).

Refer to "Ownership of the Units" on page 119 and "The Sponsor" on page 274 of the Prospectus for more information.

**HOW WAS OUR HISTORICAL FINANCIAL PERFORMANCE AND
WHAT IS OUR CURRENT FINANCIAL POSITION?**

Key Profit and Loss information¹

	Unaudited Pro Forma Statements of Total Return			Profit Forecast and Profit Projection	
	FY2012 S\$'000	FY2013 S\$'000	FY2014 S\$'000	Forecast Period 2015 S\$'000	Projection Year 2016 S\$'000
Net Property Income	18,358	22,716	30,874	6,422	40,028
Net income	9,388	11,147	18,560	4,295	28,160
Total return for the year before tax	50,606	18,677	18,560	4,295	28,160
Total return for the year	36,812	12,513	11,831	3,441	22,669
Total return available for distribution to Unitholders	24,836	8,379	7,238	2,615	17,649
Distribution per Unit (cents)	–	–	–	0.53	3.56
Distribution per Unit (taking into account Strategic Investor which are not entitled to distributions) ² (cents)	–	–	–	0.76	5.08
Distribution yield (taking into account Strategic Investor which are not entitled to distributions) ² (%)	–	–	–	5.7	6.3
Distribution yield (in the absence of the Distributions Undertaking) ³ (%)	–	–	–	4.0	4.5

Refer to “Unaudited Pro Forma Financial Information” on page 139, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 144 and “Profit Forecast and Profit Projection” on page 157 of the Prospectus for more information on BHG Retail REIT’s financial performance and position.

Key cash flows information¹

	Year ended 31 December 2014 S\$'000
Net cash from operating activities	29,776
Net cash used in investing activities	(510,152)
Net cash (used in)/generated from financing activities	494,445
Net increase in cash and cash equivalents	14,069
Cash and cash equivalents at end of year	18,511

Key balance sheet information¹

	As at 31 December 2014 S\$'000
Total assets	799,526
Total liabilities	265,996
Net asset attributable to Unitholders	393,380

Notes:

- (1) Based on the Offering Price of S\$0.80 per Unit.
- (2) Distribution per unit (taking into account the Strategic Investor Units which are not entitled to any distribution) is derived by dividing distributable income for each of the Forecast Period 2015 and Projection Year 2016 attributable to non-Strategic Investor unitholders inclusive of the Strategic Investor's Distributions by the number of non-Strategic Investor Units in issue.
- (3) Distribution yield for Forecast Period 2015 has been annualised.

The most significant factors contributing to BHG Retail REIT's financial performance from FY2013 over FY2012 are as follows:

- The Gross Revenue of the Properties increased by approximately 29.1% or S\$8.7 million to S\$38.6 million in FY2013 from S\$29.9 million in FY2012. This was primarily attributed to (i) higher gross revenue from Beijing Mall which increased by approximately 10.5% or S\$2.7 million to S\$28.5 million in FY2013 from S\$25.8 million in FY2012 and (ii) S\$5.8 million contributed by newly operational Hefei Mall in FY2013.
- Property operating expenses increased by 37.4% or S\$4.3 million to S\$15.8 million in FY2013 from S\$11.5 million in FY2012. This was primarily due to Hefei Mall, which incurred S\$3.4 million property operating expenses in its first period of operations in FY2013.

The most significant factors contributing to BHG Retail REIT's financial performance from FY2014 over FY2013 are as follows:

- The Gross Revenue of the Properties increased by approximately 36.8% or S\$14.2 million to S\$52.8 million in FY2014 from S\$38.6 million in FY2013. This was primarily due to higher gross revenue from Beijing Mall, Hefei Mall and Chengdu Mall.
- Property operating expenses increased by 38.6% or S\$6.1 million to S\$21.9 million in FY2014 from S\$15.8 million in FY2013. This was primarily due to a new retail mall, Chengdu Mall, which incurred property operating expenses of S\$4.7 million.

The above factors are not the only factors contributing to BHG Retail REIT's financial performance between FY2012 and FY2014. Please refer to the other factors set out in "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 144 of the Prospectus.

INVESTMENT HIGHLIGHTS

WHAT ARE OUR BUSINESS STRATEGIES AND FUTURE PLANS?

The Manager's key objectives are to provide Unitholders with an attractive rate of return on their investment through regular and stable distributions to Unitholders and to achieve long-term sustainable growth in DPU and NAV per Unit, while maintaining an appropriate capital structure for BHG Retail REIT.

The Manager will seek to achieve BHG Retail REIT's key objectives through the following strategies:

- Active asset management strategy – The Manager will pro-actively manage BHG Retail REIT's property portfolio and strive to achieve growth in revenue and Net Property Income and maintain high occupancy levels. The Manager will also look to drive organic growth and build long-lasting relationships with the tenants of BHG Retail REIT's properties. The Manager will focus on O2O marketing efforts, regular engagement with tenants, effective marketing of vacant units and achieving early renewal commitments.
- Active asset enhancement strategy – The Manager will seek to implement property enhancement opportunities to support and enhance organic growth so as to optimise the cash flow and value of the Properties.
- Acquisition growth strategy by leveraging on the Sponsor's experience and supported by the ROFRs – The Manager will achieve portfolio growth through the acquisition of quality income-producing retail properties (which include the properties under the Voluntary Sponsor ROFR) that provide attractive cash flows and yields and which fit within BHG Retail REIT's investment strategy to enhance returns to Unitholders and improve potential opportunities for future income and capital growth.
- Capital and risk management strategy – The Manager will endeavour to employ an appropriate mix of debt and equity in financing acquisitions and asset enhancements, and utilise hedging strategies where appropriate from time to time to manage interest rate volatility and foreign exchange exposure for BHG Retail REIT while maintaining a strong and robust balance sheet.

Refer to "Strategy" on page 185 of the Prospectus for more information on the Manager's strategies and future plans.

WHAT ARE THE KEY TRENDS, UNCERTAINTIES, DEMANDS, COMMITMENTS OR EVENTS WHICH ARE REASONABLY LIKELY TO HAVE A MATERIAL EFFECT ON US?

The IPO Portfolio is located in the PRC. As a result, BHG Retail REIT's Gross Revenue and results of operations depend upon the performance of the PRC economy. An economic decline in the PRC could adversely affect BHG Retail REIT's results of operations and future growth.

BHG Retail REIT's Gross Revenue is affected by a number of factors including (i) rental rates achieved for the Properties, (ii) occupancy and renewal rates, (iii) general macro-economic and supply/demand trends affecting the real estate market, in particular, the retail property sector in Beijing, Hefei and Chengdu as well as the wider PRC market.

The above are not the only trends, uncertainties, demands, commitments or events that could affect BHG Retail REIT. Please refer to the other factors set out in "Overview – Key Investment Highlights" on page 3, "Risk Factors" on page 63, "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 144 and "Profit Forecast and Profit Projection – Assumptions" on page 157 of the Prospectus.

The Manager has prepared the Profit Forecast and Profit Projection on the assumptions set out in the Prospectus. The Manager considers these assumptions to be appropriate and reasonable as at the date of the Prospectus. However, you should consider these assumptions as well as the Profit Forecast and Profit Projection and make your own assessment of the future performance of BHG Retail REIT.

Refer to "Overview – Key Investment Highlights" on page 3, "Risk Factors" on page 63, "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 144 and "Profit Forecast and Profit Projection" on page 157 of the Prospectus for more information.

**WHAT ARE THE FEES AND CHARGES PAYABLE TO THE MANAGER
THAT MAY AFFECT US AND YOUR INVESTMENT IN THE UNITS**

Payable by BHG Retail REIT	Amount payable	Refer to “Overview – Certain Fees and Charges” on page 36 of the Prospectus for more information on fees and charges payable by BHG Retail REIT.
Management Fee (payable to the Manager)	<p>Base Fee 10.0% per annum of the Distributable Income.</p> <p>Performance Fee 25.0% of the difference in DPU in a financial year with the DPU in the preceding full financial year (calculated before accounting for the Performance Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.</p>	
Trustee’s Fee (payable to Trustee)	Up to 0.1% per annum of the value of the Deposited Property, subject to a minimum of S\$10,000 per month, excluding out-of-pocket expenses and GST.	
Acquisition Fee (payable to the Manager)	<p>0.75% for acquisitions from Related Parties and 1.0% for all other cases of each of the following as is applicable (subject to there being no double counting):</p> <ul style="list-style-type: none"> • the acquisition price of any real estate purchased, whether directly or indirectly, by BHG Retail REIT; • the underlying value of any real estate which is taken into account when computing the acquisition price payable for equity interests of any vehicle holding directly or indirectly real estate purchased by BHG Retail REIT; or • the acquisition price of any investment purchase by BHG Retail REIT, whether directly or indirectly, in any debt securities of any property corporation or other SPV owning or acquiring real estate. 	
Divestment Fee (payable to the Manager)	<p>0.5% for each of the following as is applicable (subject to there being no double counting):</p> <ul style="list-style-type: none"> • the sale price of any real estate sold or divested, whether directly or indirectly, by BHG Retail REIT; • the underlying value of any real estate which is taken into account when computing the sale price for equity interests in any vehicle holding directly or indirectly real estate sold or divested, whether directly or, by BHG Retail REIT; or • the sale price of any investment by BHG Retail REIT, whether directly or indirectly, in any debt securities of any property corporation or other SPV owning or acquiring real estate. 	
Property management fee (payable to the Property Manager or the PRC Property Manager)	Generally, 2.0% per annum of Gross Revenue for the relevant property, 2.5% per annum of the Net Property Income for the relevant property (calculated before accounting for the property management fee in that financial period), and 2 months of Fixed Rent as leasing commission for securing of new tenants for a tenancy of at least three years, such leasing commission being applicable from 1 January 2018.	

Development management fee (payable to the Manager)	3.0% of the Total Project Costs incurred in a Development Project. BHG Retail REIT will only undertake development activities within the limits of the Property Funds Appendix.
Project management fee (payable to Property Manager)	3.0% of the construction costs, where the construction costs amount exceed S\$100,000 but do not exceed S\$1.0 million or the equivalent value in the relevant foreign currency for any other country, and 2.0% of the construction costs, where the construction costs amount ranges between S\$1.0 million and S\$10.0 million or the equivalent value in the relevant foreign currency for any other country. In the event that the construction costs amount to more than S\$10.0 million or the equivalent value in the relevant foreign currency for any other country, a fee to be mutually agreed by the parties. For the avoidance of doubt, where there are project management fees payable to the Property Manager, there will not be any development management fees payable to the Manager.

WHAT ARE THE KEY RISKS WHICH HAD MATERIALLY AFFECTED OR COULD MATERIALLY AFFECT US AND YOUR INVESTMENT IN THE UNITS?

<p>The Manager considers the following to be the most important key risks which could materially affect BHG Retail REIT’s business operations, financial position and results, and/or your investment in the Units.</p>	<p>Refer to “Risk Factors” on page 63 of the Prospectus for more information on risk factors.</p>
<ul style="list-style-type: none"> • The Properties may not be able to generate a level of income for distribution to Unitholders (other than the Strategic Investor) that is commensurate with the levels attained with the Distributions Undertaking due to unforeseen circumstances: The Strategic Investor will be entitled to receive full distributions in respect of the distribution period from 1 January 2021. Following the expiry of the Distributions Undertaking, the Properties may not be able to generate a level of income for distribution that is commensurate with the levels attained with the Distributions Undertaking. • BHG Retail REIT is dependent on BHG Hypermarket for a significant source of its income: Dalian Property and Xining Mall are master leased to BHG Hypermarket and rental payments will depend solely on BHG Hypermarket. BHG Hypermarket is also an anchor tenant in the other three Properties and one of the overall top 10 tenants of the IPO Portfolio, contributing 23% of the Gross Rental Income of the IPO Portfolio for the month of August 2015. • BHG Retail REIT may be adversely affected by economic and real estate market conditions, as well as changes in regulatory, fiscal and other governmental policies in China: The IPO Portfolio is located in the PRC. As a result, BHG Retail REIT’s Gross Revenue and results of operations depend upon the performance of the PRC economy. An economic decline in the PRC could adversely affect BHG Retail REIT’s results of operations and future growth. • BHG Retail REIT may be exposed to risks associated with exchange rate fluctuations and changes in foreign exchange regulations: The revenue received from the Properties is in Renminbi. A portion of these will have to be converted into Singapore dollars to settle expenses at the BHG Retail REIT’s level and for distribution payments. There is exposure to risks associated with exchange rate fluctuations which may adversely affect BHG Retail REITs. 	

- **BHG Retail REIT’s ability to make distributions is dependent on its subsidiaries. BHG Retail REIT may not be able to make distributions to Unitholders or the level of distributions may fall:** For the Trustee to make distributions, BHG Retail REIT has to rely on the receipt of dividends, interest or repayments of loans (where applicable) from its subsidiaries. There can be no assurance that these entities will have sufficient revenue and cash flows to pay dividends, pay interest or make repayments of loans.
- **The underlying land use right tenure balances of Beijing Mall, Hefei Mall and the Dalian Property, which together account for more than 50.0% of net property income, are each less than 30 years:** As at August 2015, Beijing Mall, Hefei Mall and the Dalian Property have land use right tenure balances of less than 30 years. These Properties contribute 71% of BHG Retail REIT’s total Net Property Income for the Forecast Period 2015. If an extension is not granted by the PRC government, such Property would revert to the PRC government and BHG Retail REIT would no longer own or derive income from that Property. Even if an extension is sought and obtained, there is uncertainty about the quantum of land grant premium which BHG Retail REIT will have to pay and the additional conditions which may be imposed.
- **Utilisation of land use rights over time, and non renewals of the land use rights by the PRC government may result in a depletion of the NAV of BHG Retail REIT:** All of BHG Retail REIT’s properties in the PRC are considered to be leasehold land. Utilisation of land use rights over time, and non renewals of the land use rights by the PRC government may result in a depletion of the NAV of BHG Retail REIT. Such depletion in the NAV of BHG Retail REIT, if not offset, may result in a decline in the price of the Units.
- **BHG Retail REIT may face risks associated with the breach of contractual terms and/or regulatory measures in the PRC:** Chengdu Hairong is in breach of contractual terms in relation to a loan secured on Chengdu Mall. Accordingly, there is a risk that Chengdu Hairong may be subject to liabilities for any breach. Further, a substantial portion of tenancy agreements are not registered and the business, financial condition and results of operations of BHG Retail REIT may be adversely affected if the PRC Holding Companies refuse to rectify non-compliance with registration measures imposed by the authorities. Further, the PRC Holding Companies may not be able to obtain certain licences and permits for their conduct of business. In addition, the representations, warranties, covenants and undertakings granted in favour of the Trustee and the Singapore Holding Companies by the Vendor are subject to limitations.
- **The China VAT reforms for the real estate and construction industry which is expected to be implemented in 2016 may have an adverse impact on the financial condition of BHG Retail REIT:** China VAT reforms are yet to be rolled out for real estate and construction, finance and insurance and life services industries and it is difficult to assess whether or not the VAT reforms will have an adverse impact on the financial position of the PRC Holding Companies.

The above are not the only risk factors that had a material effect or could have a material effect on BHG Retail REIT’s business operations, financial position and results, and your Units. Refer to “Risk Factors” on page 63 of the Prospectus for a discussion on other risk factors and for more information on the above risk factors. Prior to making a decision to invest in the Units, you should consider all the information contained in the Prospectus.

WHAT ARE THE RIGHTS ATTACHED TO THE UNITS OFFERED?

The total number of outstanding Units immediately after completion of the Offering and the Redemption will be 492,725,000 Units.

The rights and interests of Unitholders are contained in the Trust Deed. Under the Trust Deed, these rights and interests are safeguarded by the Trustee. Each Unit represents an undivided interest in BHG Retail REIT. A Unitholder has no equitable or proprietary interest in the Deposited Property. A Unitholder is not entitled to the transfer to him of the Deposited Property or any part of the Deposited Property or of any estate or interest in the Deposited Property or in any part of the Deposited Property. A Unitholder's right is limited to the right to require due administration of BHG Retail REIT in accordance with the provisions of the Trust Deed, including, without limitation, by suit against the Trustee or the Manager. The key rights of Unitholders include rights to receive income and other distributions attributable to the Units held, receive audited accounts and the annual reports of BHG Retail REIT and participate in the termination of BHG Retail REIT by receiving a share of all net cash proceeds derived from the realisation of the assets of BHG Retail REIT less any liabilities, in accordance with their proportionate interests in BHG Retail REIT.

Refer to "The Formation and Structure of BHG Retail REIT" on page 278 of the Prospectus for more information on the Units.

HOW WILL THE PROCEEDS OF THE OFFER BE USED?

The Manager intends to raise gross proceeds of approximately S\$394.2 million from the Offering and the issuance of the Sponsor Units, the Strategic Investor Units and the Cornerstone Units.

The following table, included for the purpose of illustration, sets out the intended sources and applications of the total proceeds. Based on the Offering Price, assuming that the Over-Allotment Option is fully exercised:

Sources	(S\$'000)	Uses	(S\$'000)
Offering	120,935	Payment of transaction amount in respect of the Singapore Holding Companies ⁽¹⁾	488,538
Sponsor Units	19,709	Repayment of the Chengdu Loan ⁽²⁾	35,022
Strategic Investor Units	118,648	Transaction Costs	13,936
Cornerstone Units	134,888	Working capital	4,684
Facilities	148,000		
Total	542,180	Total	542,180

Notes:

- (1) The transaction amount in respect of the Singapore Holding Companies comprises (i) S\$488.5 million that the Trustee will extend to the Singapore Holding Companies for them to repay in full, all outstanding loans that the Singapore Holding Companies had taken to fund the purchase consideration payable to the Sponsor under the PRC Sale and Purchase Agreements (comprising the CMB Loan and the shareholder's loans from the Vendor) and (ii) S\$500.00 for the issued share capital of the Singapore Holding Companies.
- (2) Chengdu Hairong has an onshore term loan from DBS (China) Ltd., Beijing Branch and United Overseas Bank (China) Limited, Beijing Branch (the "New Onshore Lenders"). After 1 January 2016, it is envisaged that a repayment of the Chengdu Loan will be conducted through the injection of equity capital into the Chengdu Hairong for the purpose of discharging the loan of RMB161.1 million (equivalent to approximately S\$35.0 million) granted by the New Onshore Lenders.

Refer to "Use of Proceeds" on page 116 of the Prospectus for more information on the use of proceeds.

WILL WE BE PAYING DISTRIBUTIONS AFTER THE OFFER?

Distributions from BHG Retail REIT to Unitholders will be computed based on 100.0% of BHG Retail REIT's Distributable Income for Forecast Period 2015 and Projection Year 2016. Thereafter, BHG Retail REIT will distribute on a semi-annual basis, at least 90.0% of its Distributable Income. The first distribution in respect of the period from Listing Date to 30 June 2016 will be paid on or before 28 September 2016.

The actual level of distribution will be determined at the Manager's discretion.

Refer to "Distributions" on page 123 of the Prospectus for more information.

DEFINITIONS

BHG Singapore	:	Beijing Hualian Mall (Singapore) Commercial Management Pte. Ltd.
Cornerstone Units	:	The 168,609,400 Units to be issued to the Cornerstone Investors (as defined in the Prospectus)
Deposited Property	:	All the assets of BHG Retail REIT, including all its Authorised Investments (as defined in the Prospectus) held or deemed to be held in accordance with the Trust Deed
Distributable Income	:	The amount calculated by the Manager (based on the audited financial statements of BHG Retail REIT for that financial year) as representing the consolidated audited net profit after tax (which includes the net profits of the SPVs held by BHG Retail REIT for the financial year, to be pro-rated where applicable to the portion of BHG Retail REIT's interest in the relevant SPV) for the financial year, as adjusted to eliminate the effects of Adjustments (as defined in the Prospectus)
DPU	:	Distribution per Unit
Facility	:	The loan facility of S\$148.0 million obtained from the Offshore Lenders (as defined in the Prospectus)
Forecast Period 2015	:	1 November 2015 to 31 December 2015
FY	:	Financial year ended or, as the case may be, ending 31 December
GFA	:	Gross floor area, and in relation to properties in China, the area specified in the Building Ownership Certificate (as defined in the Prospectus) for each property
Gross Revenue	:	Consists of Gross Rental Income (after adjusting for rent-free incentives amortised over the lease periods), recoveries income and other income earned from the Properties, including income attributable to the operation of the Properties
IPO Portfolio	:	Initial portfolio of BHG Retail REIT as at the Listing Date
Listing Date	:	Date of admission of BHG Retail REIT to the Official List of the SGX-ST
NAV	:	Net asset value
New Onshore Lenders	:	DBS (China) Ltd., Beijing Branch and United Overseas Bank (China) Limited, Beijing Branch
Offering	:	The offering of 151,169,000 Units by the Manager for subscription at the Offering Price under the Placement Tranche and the Public Offer
Over-Allotment Option	:	An option granted by the Unit Lender to the Bookrunner and Underwriter to purchase from the Unit Lender up to an aggregate of 24,636,300 Units at the Offering Price, solely to cover the over-allotment of Units (if any)
PRC	:	People's Republic of China
Projection Year 2016	:	1 January 2016 to 31 December 2016

Properties	: The properties which are held by BHG Retail REIT, and “Property” means any one of them
Property Manager	: BHG Mall (Singapore) Property Management Pte. Ltd.
Public Offer	: The offering to the public in Singapore of no less than 8,000,000 Units
REIT	: Real estate investment trust
SFA	: Securities and Futures Act, Chapter 289 of Singapore
SGX-ST	: Singapore Exchange Securities Trading Limited
Sponsor	: Beijing Hualian Department Store Co., Ltd.
Sponsor Units	: The 24,636,300 Units held by Beijing Hualian Mall (Singapore) Commercial Management Pte. Ltd.
SPVs	: Special purpose vehicles
Strategic Investor	: Beijing Hua Lian Group (Singapore) International Trading Pte. Ltd., a wholly-owned subsidiary of Beijing Hualian Group Investment Holding Co., Ltd.
Strategic Investor Units	: The 148,310,300 Units held by the Strategic Investor
Trust Deed	: The trust deed dated 18 November 2015 entered into between the Manager and the Trustee constituting BHG Retail REIT, and as may be amended, varied or supplemented from time to time
Unit(s)	: Undivided interest(s) in BHG Retail REIT provided for in the Trust Deed
Unitholder(s)	: The registered holder for the time being of a Unit
Vendor	: Zhang Gaobo

CONTACT INFORMATION

WHO CAN YOU CONTACT IF YOU HAVE ANY ENQUIRIES RELATING TO THE OFFERING?

HOW DO YOU CONTACT US?

The Manager

BHG Retail Trust Management Pte. Ltd.

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