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Spring Real Estate Investment Trust

春泉產業信託

(a Hong Kong collective investment scheme authorized under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))
(Stock Code: 01426)

Managed by
Spring Asset Management Limited

ELECTION BY THE MANAGER FOR BASE FEE AND VARIABLE FEE TO BE PAID BY WAY OF CASH AND UNITS IN SPRING REAL ESTATE INVESTMENT TRUST

On 27 November 2020, the Manager notified the Trustee in writing of its election for the Base Fee for the year ending 31 December 2021 to be paid to the Manager in the form of cash as to 20% and in the form of Units as to 80%, and the Variable Fee for the year ending 31 December 2021 to be paid to the Manager in the form of cash entirely.

Pursuant to the Trust Deed, the Manager is entitled to make an election for the payment of the Base Fee and/or the Variable Fee, in respect of any real estate of Spring REIT, entirely in the form of cash, entirely in the form of Units or partly in cash and partly in Units. The Trust Deed also provides that the Manager shall make such elections for the payment of the Base Fee and/or the Variable Fee in cash and/or Units including the respective percentages of each payment, annually, on or before 15 January of each year by way of notice in writing to the Trustee and an announcement to the Unitholders.

In accordance with the terms of the Trust Deed, on 27 November 2020, the Manager notified the Trustee in writing of its election for the Base Fee, in respect of any real estate of Spring REIT for the year ending 31 December 2021, to be paid to the Manager in the form of cash as to 20% and in the form of Units as to 80%, and the Variable Fee, in respect of any real estate of Spring REIT for the year ending 31 December 2021, to be paid to the Manager in the form of cash entirely. This election was approved by the Board on 26 November 2020.

Under the Trust Deed, such election is irrevocable during the year in respect of which it was made. In the event that the Manager fails to make such an election in any calendar year, the Base Fee and the Variable Fee shall be paid in cash.

The announcement is made pursuant to Clause 11.1 of the Trust Deed and Paragraph 10.3 of the REIT Code.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Base Fee”	the base fee payable by Spring REIT to the Manager which, as defined in the Trust Deed, is currently calculated at the rate of 0.4% per annum of the amount of the Deposited Property
“Board”	the board of directors of the Manager
“Deposited Property”	all of the assets of Spring REIT, including all its Authorised Investments (as defined in the Trust Deed) for the time being held or deemed to be held upon the trusts of the Trust Deed and any interest arising on subscription monies from the issuance of Units
“Manager”	Spring Asset Management Limited, the manager of Spring REIT
“Net Property Income”	in relation to any period, the Total Property Revenue (as defined in the Trust Deed) for that period less the Total Property Expenses (as defined in the Trust Deed) for that period
“REIT Code”	Code on Real Estate Investment Trusts issued by the Securities and Futures Commission of Hong Kong, as amended, supplemented and/or otherwise modified from time to time
“Spring REIT”	Spring Real Estate Investment Trust
“Trust Deed”	the trust deed dated 14 November 2013 constituting Spring REIT as modified, supplemented and amended from time to time
“Trustee”	DB Trustees (Hong Kong) Limited, in its capacity as the trustee of Spring REIT
“Unitholder”	the person for the time being entered in the Register (as defined in the Trust Deed) as the holder of a Unit and (where the context so admits) persons jointly so entered
“Unit”	one undivided share in Spring REIT

“Variable Fee”

the variable fee payable by Spring REIT to the Manager which, as defined in the Trust Deed, is currently calculated at the rate of 3.0% per annum of the Net Property Income (before deduction therefrom of the Base Fee and the Variable Fee)

By order of the Board
Spring Asset Management Limited
(as manager of Spring Real Estate Investment Trust)
Mr. Toshihiro Toyoshima
Chairman of the Manager

Hong Kong, 4 December 2020

As at the date of this announcement, the directors of the Manager are Toshihiro Toyoshima (Chairman and non-executive director); Leung Kwok Hoe, Kevin and Nobumasa Saeki (executive directors); Hideya Ishino (non-executive director); and Simon Murray, Lam Yiu Kin and Liping Qiu (independent non-executive directors).