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## **Spring Real Estate Investment Trust**

**春泉產業信託**

*(A Hong Kong collective investment scheme authorised 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**

### **ANNOUNCEMENT**

#### **CONTINUING CONNECTED PARTY TRANSACTION IN RELATION TO THE PAG RENEWED LEASE**

The Board wishes to announce that on 26 September 2025, Spring REIT and the PAG Tenant entered into an agreement to renew the Existing PAG Lease at Office Tower 2 of China Central Place for a further term of 36 months with effect from 1 November 2025.

As the PAG Tenant is a non-wholly owned subsidiary and, therefore, an associate of PAG which is a substantial unitholder of Spring REIT, the PAG Tenant is a connected person of Spring REIT pursuant to paragraph 8.1(f) of the REIT Code.

Accordingly, the transactions under the PAG Renewed Lease constitute continuing connected party transactions of Spring REIT under Chapter 8 of the REIT Code and Chapter 14A of the Listing Rules (modified as appropriate pursuant to paragraph 2.26 of the REIT Code).

As the highest applicable percentage ratio calculated in respect of the Annual Cap applicable to the transactions under the PAG Renewed Lease exceeds 0.1% but is less than 5%, such transactions and the Annual Cap applicable thereto are subject to the announcement, reporting and annual review requirements but are exempted from the unitholders' approval requirement under Chapter 8 of the REIT Code and Chapter 14A of the Listing Rules (modified as appropriate pursuant to paragraph 2.26 of the REIT Code).

This announcement is made pursuant to paragraph 10.5A of the REIT Code.

## A. BACKGROUND

Reference is made to the announcement of Spring Real Estate Investment Trust (“**Spring REIT**”) dated 27 May 2022 (the “**2022 Announcement**”) in relation to the renewal of the tenancy agreement entered into by 太盟投資管理諮詢(北京)有限公司 (PAG Investment Consulting (Beijing) Co., Limited\*) (the “**PAG Tenant**”) for certain office premises at Office Tower 2 of China Central Place for a term of three years expiring on 31 October 2025 (the “**Existing PAG Lease**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the 2022 Announcement.

## B. ENTERING INTO OF THE PAG RENEWED LEASE

### **Background and reasons for and benefits of entering into the PAG Renewed Lease**

As disclosed in the 2022 Announcement, the Existing PAG Lease will expire on 31 October 2025. On 26 September 2025, Spring REIT and the PAG Tenant entered into an agreement to renew the Existing PAG Lease for a further term of 36 months with effect from 1 November 2025 (the “**PAG Renewed Lease**”).

The principal business of Spring REIT is property investment for rental income. Pursuant to the Existing PAG Lease, the PAG Tenant has exercised its right to renew the Existing PAG Lease for another term. The rental amounts under the PAG Renewed Lease were arrived at after arm’s length negotiation between the parties with reference to the prevailing market level for similar properties in the locality. Based on the opinion of the independent property valuer, the rental amounts under the PAG Renewed Lease are fair and reasonable and represent the prevailing market rent for similar properties in the locality that are used for similar purposes in the People’s Republic of China (the “**PRC**”), and the terms of the PAG Renewed Lease are in line with normal commercial terms. The PAG Renewed Lease will contribute towards the occupancy rate for Office Tower 2 of China Central Place. Therefore, having regard to the foregoing, the directors of the Manager believe that the entry into and terms of the PAG Renewed Lease are fair and reasonable and in the interests of Spring REIT and its unitholders as a whole.

### **Key terms of the PAG Renewed Lease**

Details of the PAG Renewed Lease are as follows:

Landlord	北京華瑞興貿房地產諮詢有限公司 (Beijing Hua-re Real Estate Consultancy Co. Ltd*) (“ <b>Beijing Hua-re</b> ” or the “ <b>Landlord</b> ”), acting for and on behalf of the owner of the premises, RCA01
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Tenant	太盟投資管理諮詢(北京)有限公司 (PAG Investment Consulting (Beijing) Co., Limited*)
Premises	Certain premises with a gross floor area of approximately 544.24 sq.m. in Office Tower 2 of China Central Place, No. 79 Jianguo Road, Chaoyang District, Beijing, the PRC
Lease commencement date	1 November 2025
Term	36 months, expiring on 31 October 2028
Rental amounts	<p>(a) For the period from 1 November 2025 to 31 January 2026, RMB99,459.86 (exclusive of value-added tax), payable in advance;</p> <p>(b) For the other concessionary periods, RMB198,919.72 (exclusive of value-added tax), payable in advance of each period; and</p> <p>(c) For the other periods, RMB198,919.72 per month (exclusive of value-added tax), payable in advance of each month.</p> <p>The rental amounts are exclusive of property management fee, water and electricity charges, telecommunication fees, overtime charges for central air conditioning and other equipment and property management related outgoings.</p>
Concessionary periods	<p>(a) 1 November 2025 to 31 January 2026;</p> <p>(b) 1 February 2026 to 30 April 2026;</p> <p>(c) 1 November 2026 to 31 January 2027;</p> <p>(d) 1 February 2027 to 30 April 2027;</p> <p>(e) 1 November 2027 to 31 January 2028; and</p> <p>(f) 1 August 2028 to 31 October 2028.</p>
Security deposit amount	RMB712,510.83

Early termination	<p>The PAG Tenant does not have any unilateral right of early termination, except in limited circumstances such as when the premises are damaged, destroyed, or officially deemed unsafe, or are unfit for use or pose safety risks that cannot be remedied in a reasonable time.</p> <p>If the PAG Renewed Lease is terminated early for any reason, the PAG Tenant shall pay the shortfall in rent for the concessionary periods, which will be recalculated at the full monthly rate.</p>
Renewal	<p>The PAG Tenant may renew the lease for an additional term by giving at least six months' prior written notice before the expiry of the current term and entering into a renewal lease three months before the expiry of the current term. The rental amounts and other terms of the renewed lease shall be determined through negotiation in accordance with the then prevailing market level.</p>

### **Historical rental amounts and Annual Cap**

The historical rental amounts payable in each of the following periods were as follows:

<b>Period</b>	<b>Historical Rental Amount</b>
For the year ended 31 December 2022	RMB2,529,506 <sup>(1)</sup>
For the year ended 31 December 2023	RMB2,507,132 <sup>(2)</sup>
For the year ended 31 December 2024	RMB2,507,132 <sup>(2)</sup>
For the six months ended 30 June 2025	RMB1,253,566 <sup>(2)</sup>

*Notes:*

- (1) As disclosed in Spring REIT's announcement dated 9 September 2019, the PAG Tenant was a party to a lease of three years from 1 November 2019 to 31 October 2022. That lease, as disclosed in the 2022 Announcement, was renewed for a further period of three years under the Existing PAG Lease. Therefore, the historical rental amount for the year ended 31 December 2022 is the aggregate of the rental amounts paid under the abovementioned two leases.
- (2) For each of the year ended 31 December 2023 and 31 December 2024 and the six months ended 30 June 2025, the rental amount comprised the sums payable under the Existing PAG Lease.

The annual cap (the “**Annual Cap**”) applicable to the transactions under the PAG Renewed Lease in each of the following periods has been determined based on the previous transactions and effective rental amount <sup>(1)</sup> payable under the PAG Renewed Lease, and is as follows:

<b>Period</b>	<b>Annual Cap</b>
For the two months ending 31 December 2025	RMB259,701 <sup>(2)</sup>
For the year ending 31 December 2026	RMB1,558,204
For the year ending 31 December 2027	RMB1,558,204
For the ten months ending 31 October 2028	RMB1,298,504 <sup>(3)</sup>

*Notes:*

- (1) The effective rental amount under the PAG Renewed Lease represents the aggregate rental amount receivable under the PAG Renewed Lease recognised on a straight-line basis over the term of the PAG Renewed Lease. Lease incentives provided are amortised on a straight-line basis and are recognised as a reduction of rental income over the term of the PAG Renewed Lease.
- (2) This comprises the effective rental amount payable under the PAG Renewed Lease for the two months from 1 November 2025 and ending on 31 December 2025.
- (3) This comprises the effective rental amount payable under the PAG Renewed Lease for the ten months from 1 January 2028 and ending on 31 October 2028.

## **C. REGULATORY IMPLICATIONS**

As the PAG Tenant is a non-wholly owned subsidiary and, therefore, an associate of PAG which is a substantial unitholder of Spring REIT, the PAG Tenant is a connected person of Spring REIT pursuant to paragraph 8.1(f) of the Code on Real Estate Investment Trusts (the “**REIT Code**”).

Accordingly, the transactions under the PAG Renewed Lease constitute continuing connected party transactions of Spring REIT under Chapter 8 of the REIT Code and Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) (modified as appropriate pursuant to paragraph 2.26 of the REIT Code).

As the highest applicable percentage ratio calculated in respect of the Annual Cap applicable to the transactions under the PAG Renewed Lease exceeds 0.1% but is less than 5%, such transactions and the Annual Cap applicable thereto are subject to the announcement, reporting and annual review requirements but are exempted from the unitholders’ approval requirement under Chapter 8 of the REIT Code and Chapter 14A of the Listing Rules (modified as appropriate pursuant to paragraph 2.26 of the REIT Code).

## **D. OPINIONS**

### **Board**

The board of directors of the Manager (the “**Board**”) (including the independent non-executive directors of the Manager) is of the view that the PAG Renewed Lease: (a) was entered into at arm’s length and in the ordinary and usual course of business of Spring REIT; (b) is consistent with the investment objective of Spring REIT; (c) is on normal commercial terms or better; and (d) is fair and reasonable and in the interests of Spring REIT and its unitholders as a whole.

None of the directors of the Manager has a material interest in the PAG Renewed Lease and/or is required to abstain from voting on the board resolutions of the Manager to approve the PAG Renewed Lease.

### **Independent property valuer**

The Manager has also obtained an opinion from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer and the principal valuer of Spring REIT, that: (i) the rental amounts under the PAG Renewed Lease are fair and reasonable and represents the prevailing market rates for similar properties in the locality that are used for similar purposes in the PRC; and (ii) the relevant terms under the PAG Renewed Lease are in line with normal commercial terms for similar lease renewal under current market conditions.

### **Trustee**

Based and in sole reliance on: (a) the information and assurances provided by the Manager; (b) the opinion and recommendation of the Board; (c) and the opinion of the independent property valuer, and having taken into account its duties set out in the trust deed constituting Spring REIT (the “**Trust Deed**”) and the REIT Code, the Trustee:

- (a) has no objection to the PAG Renewed Lease;
- (b) is of the view that the PAG Renewed Lease is consistent with Spring REIT’s investment policy and in compliance with the REIT Code and the Trust Deed;
- (c) is of the view that the PAG Renewed Lease is (i) on normal commercial terms, (ii) fair and reasonable, and (iii) in the interests of the unitholders as a whole; and
- (d) confirms that unitholders’ approval is not required under the REIT Code or the Trust Deed for the entry into of the PAG Renewed Lease.

The Trustee's view is being furnished for the sole purpose of complying with paragraph 8.7D of the REIT Code, and is not to be taken as a recommendation or representation by the Trustee of the merits of the PAG Renewed Lease or of any statements or information made or disclosed in this announcement. The Trustee has not made any assessment of the merits or impact of the PAG Renewed Lease, other than for the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code. Accordingly, the Trustee urges all unitholders, including those who have any doubts as to the merits or impact of the PAG Renewed Lease, to consider the opinions of the independent property valuer and to seek their own additional financial or other professional advice.

## **E. REVIEW AND REPORTING PROCESS**

The PAG Renewed Lease will also be subject to the following review and reporting processes:

*(a) Annual review by the independent non-executive directors of the Manager*

The independent non-executive directors of the Manager shall review the PAG Renewed Lease annually and confirm in Spring REIT's annual report for the relevant financial period that the transactions under the PAG Renewed Lease have been entered into:

- (i) in the ordinary and usual course of business of Spring REIT;
- (ii) on normal commercial terms or better; and
- (iii) in accordance with the PAG Renewed Lease on terms that are fair and reasonable and in the interests of Spring REIT and its unitholders as a whole.

*(b) Annual review by the auditors of Spring REIT*

In respect of each relevant financial period, the Manager shall engage the auditors of Spring REIT to report on the PAG Renewed Lease annually. The auditors of Spring REIT must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that any transaction:

- (i) has not been approved by the Board;
- (ii) was not, in all material respects, in accordance with the pricing policies of Spring REIT;
- (iii) was not entered into, in all material respects, in accordance with the terms of the PAG Renewed Lease; and

(iv) has exceeded the Annual Cap.

The Manager shall allow, and procure the PAG Tenant to allow, the auditors of Spring REIT sufficient access to its records for the purpose of reporting on the PAG Renewed Lease.

*(c) Notification to the Securities and Futures Commission*

The Manager shall promptly notify the Securities and Futures Commission and publish an announcement if the independent non-executive directors of the Manager and/or the auditors of Spring REIT will not be able to confirm the matters set out in (a) and/or (b) above.

*(d) Annual reports*

A brief summary of each transaction containing the information specified in rules 14A.71 and 14A.72 of the Listing Rules shall be included in Spring REIT's annual reports.

**Changes to Annual Cap or terms**

If the Annual Cap is exceeded or Spring REIT proposes to renew the PAG Renewed Lease or effect a material change to its terms, Spring REIT shall comply with the relevant requirements under the REIT Code and the Listing Rules.

**F. GENERAL**

Spring REIT is a real estate investment trust, the units of which were first listed on The Stock Exchange of Hong Kong Limited on 5 December 2013. Spring REIT's current portfolio includes (a) Office Tower 1 and Office Tower 2 and 608 carpark spaces constituting part of the mixed-use development known as "China Central Place" located in Beijing, the PRC (the "**CCP Properties**") and (b) 68% interest in the shopping mall known as "Huamao Place" and the 700 underground and 50 aboveground carpark spaces of Huamao Place located in Huizhou, the PRC.

RCA01, a company incorporated as an exempted company with limited liability in the Cayman Islands, is a wholly-owned special purpose vehicle of Spring REIT and the owner of the CCP Properties.

Beijing Hua-re is a company incorporated under the laws of the PRC. The principal business activity of Beijing Hua-re is property management and its ultimate beneficial owners are Mercuria Holdings Co., Ltd., Ms. Liu Yan and Mr. Liao Zhongyuan. Mercuria Holdings Co., Ltd. is listed on the Tokyo Stock Exchange, and its principal business activity is business management of group companies and proprietary investment.



The PAG Tenant is a company incorporated under the laws of the PRC. The principal business activity of the PAG Tenant is investment management. The ultimate beneficial owner of the PAG Tenant is PAG Holdings Limited (“**PAG**”), and the principal business activity of PAG is investment management.

This announcement is made pursuant to paragraph 10.5A of the REIT Code.

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

Hong Kong, 26 September 2025

*As at the date of this announcement, the directors of the Manager are Toshihiro Toyoshima (Chairman and non-executive director); Leung Kwok Hoe, Kevin (Chief Executive Officer and executive director) and Chung Wai Fai, Michael (Chief Financial Officer and executive director); Hideya Ishino (non-executive director); and Simon Murray, Lam Yiu Kin, Qiu Liping and Tong Shumeng (independent non-executive directors).*

*\* For identification purposes only.*