

INTERIM RESULTS 2024 PRESENTATION

22 Aug 2024





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1H 2024 RESULTS HIGHLIGHTS

新天地

NEW LOVE
2024
新年

广东省展示馆特色
步行街（商圈）

营业时间
10:00-22:00
11:00-22:00
12:00-22:00
13:00-22:00
14:00-22:00
15:00-22:00
16:00-22:00
17:00-22:00
18:00-22:00
19:00-22:00
20:00-22:00
21:00-22:00
22:00-22:00





1H 2024 Results Highlights

- Despite the challenging macroeconomic environment, Spring REIT registered an increase of 2.0% HoH in net property income, mainly due to the resilient performance of Beijing CCP office portfolio and the respectable results from Huamao Place shopping mall in Huizhou.
- Thanks to the ongoing interest rate hedging programme, together with the RMB loan which is based on the stable PRC loan prime rate, 96.6% of the loans are either hedged or under a relatively stable rate, minimising the impact of interest rate volatility. At the same time, to mitigate foreign exchange risk, 82.7% of the total borrowings' currency exposure were aligned with the underlying assets.
- Total distributable income amounted to RMB119.33 mn. At a payout ratio of 100%, the DPU amounted to HK9.0 cents, remaining constant HoH.
- A whitewash waiver was granted by SFC and approved by independent unitholders on 9 August 2024, meaning that the Manager's obligation to make a mandatory general offer is waived when the aggregate unitholding of the Manager Concert Group exceeds 30%, as a result of the Manager's receipt of Manager's fees partially in units. This strategy arrangement enables Spring REIT to continue its practice to pay Manager's fee partly in units, preserving cash to maintain steady distributions to unitholders.



Financial Summary

Operating Results (in RMB million)		1H 2024	HoH Chg	2H 2023	HoH Chg	1H 2023
Revenue		361.47	(2.0%)	369.03	1.5%	363.42
Property operating expenses		(86.73)	(13.0%)	(99.67)	11.3%	(89.52)
Net property income		274.74	2.0%	269.37	(1.7%)	273.89
Net property income margin		76.0%	+3.0 pts	73.0%	-2.4 pts	75.4%
G&A expenses		(44.06)	(9.0%)	(48.40)	19.2%	(40.61)
Cash interest expense		(100.66)	13.3%	(88.81)	(3.9%)	(92.38)
Current income tax		(18.42)	20.2%	(15.33)	(9.0%)	(16.84)
Profit/(loss) after taxation attributable to	Unitholders	42.28	174.9%	15.38	n.a.	(92.92)
	Non-controlling interests	17.00	29.2%	13.16	21.6%	10.82
Total distributable income		119.33	(1.0%)	120.48	(8.5%)	131.66
Payout Ratio		100%	+2.5 pts	97.5% ¹	+0.5 pts	97%
DPU (HK cents)		9.0	-	9.0	(10.0%)	10.0
DPU (RMB cents equivalent)		8.2	-	8.2	(7.9%)	8.9
Financial Positions (in RMB million)		30-6-2024	HoH Chg	31-12-2023	HoH Chg	30-6-2023
Portfolio valuation	CCP Property	8,480.00	(0.9%)	8,560.00	(0.5%)	8,600.00
	Huizhou Property	2,852.00	0.3%	2,843.00	0.7%	2,823.00
	UK Portfolio	649.86	2.1%	636.34	(1.1%)	643.23
	Total	11,981.86	(0.5%)	12,039.34	(0.2%)	12,066.23
Total borrowings		5,194.63	2.8%	5,054.49	(1.5%)	5,131.00
Net asset value attributable to Unitholders		6,078.03	(0.9%)	6,130.66	(3.8%)	6,370.88
Gearing ratio		40.6%	+1.1 pts	39.5%	+0.1 pts	39.4%

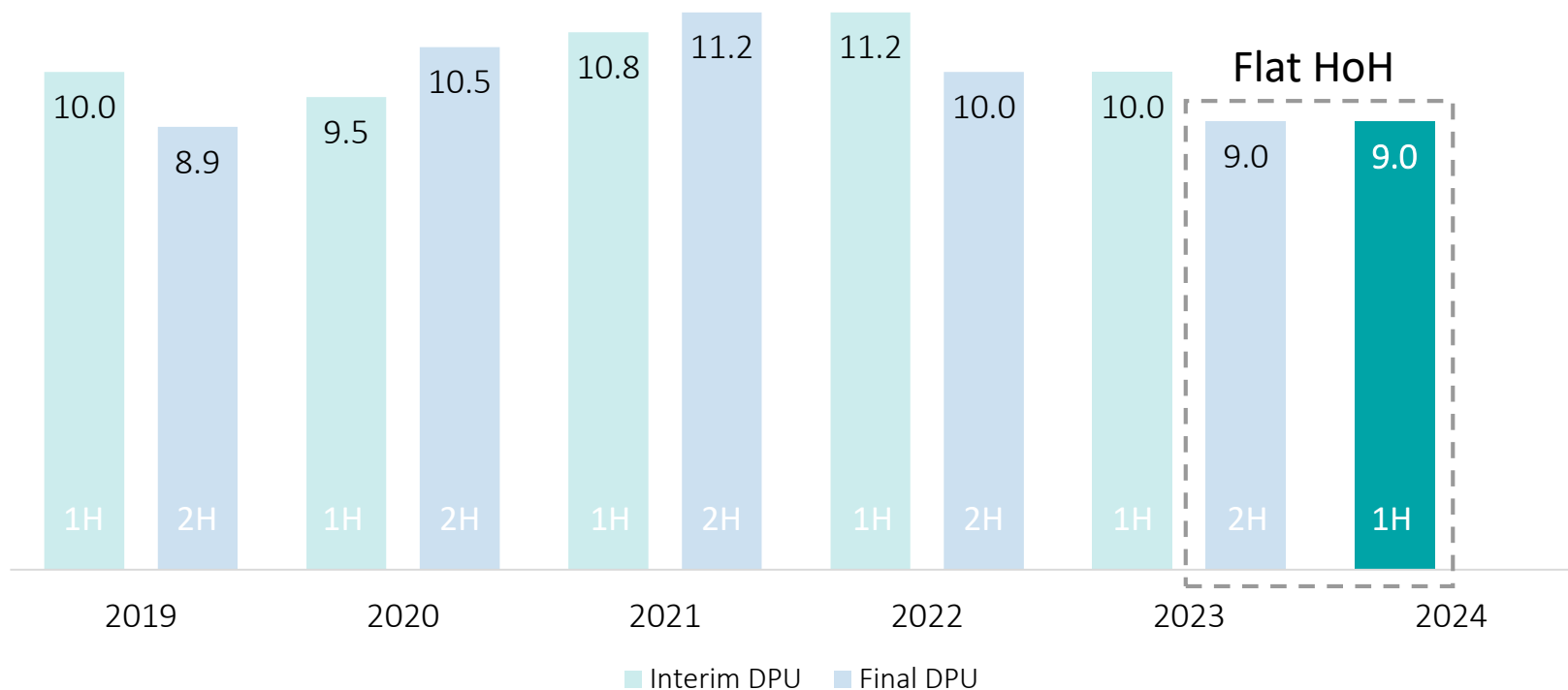
Note 1: Represents the full year payout ratio of 97.5%



Proven DPU Track Record

- Maintained a steady distribution for unitholders amid challenging macroeconomic environment, with an annualized DPU yield of 9.0%¹.

(HK cents)



Note 1: Based on the closing price of HK\$2.01 per Unit as at 28 Jun 2024

Capital Management

96.6%

of loans either hedged or at stable rate

Weighted average cash interest rate

3.9% p.a.

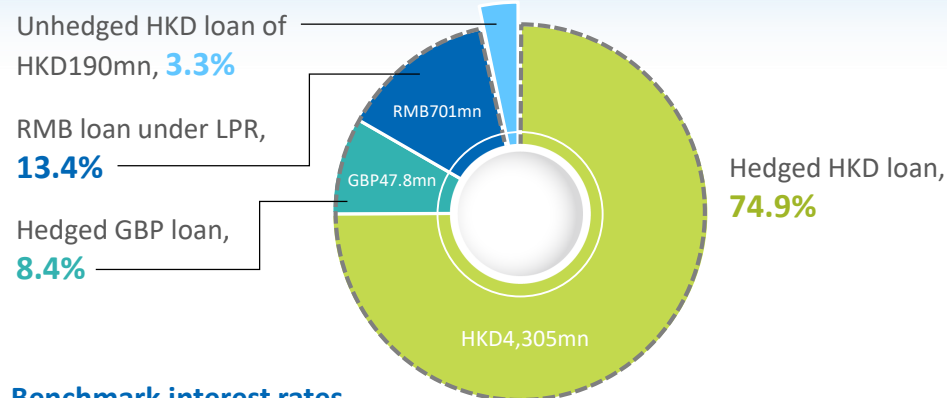
(2H 2023: 3.5%; 1H 2023: 3.7%)

82.7%

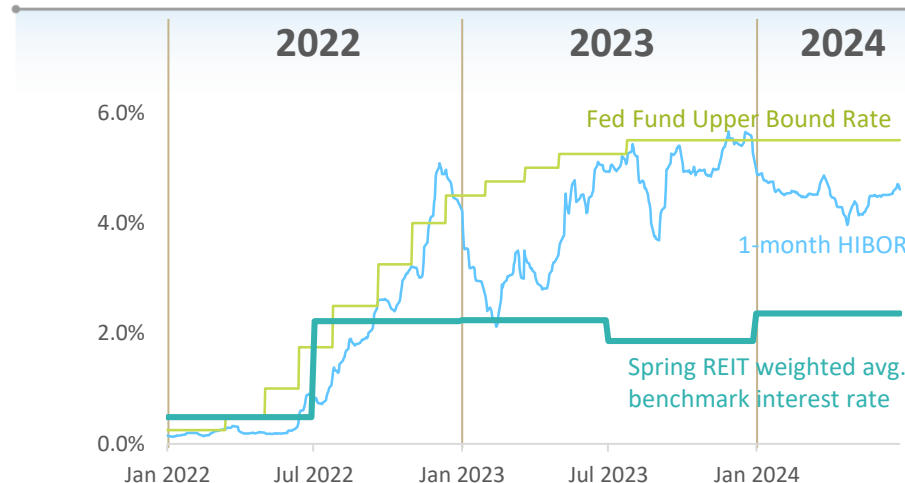
of loans in local currency¹

(31 Dec 2023: 56.7%; 30 Jun 2023: 40.1%)

Debt profile (notional amounts)



Benchmark interest rates



- Hedging initiatives in place as at 30 Jun 2024:
 - HKD loan: a notional amount of HK\$785 mn was covered by float-to-fixed IRS, while HK\$3,520 mn was effectively covered by HKD-RMB CCS at fixed RMB interest rate, with weighted average swap rates of 1.5% p.a.
 - GBP loan: interest rate swap contract of notional amount of GBP47.8 mn with a swap rate of 3.8% p.a.
- weighted average swap rate of 1.7% p.a. (before interest margin and credit adjustment spread)

Note 1: 82.7% of loans are denominated in the same currency as the underlying assets, including 78% of HKD loans converted into RMB via CCS. Remaining loans are denominated in the currency of their respective underlying assets.

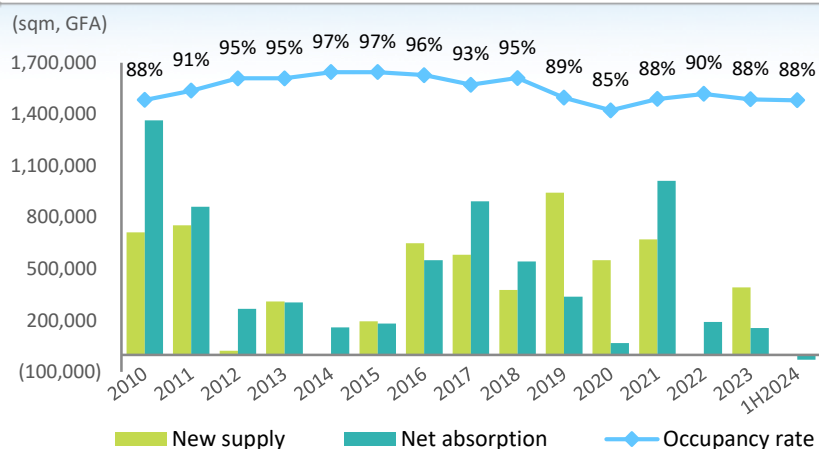


CCP PROPERTY OPERATION REVIEW

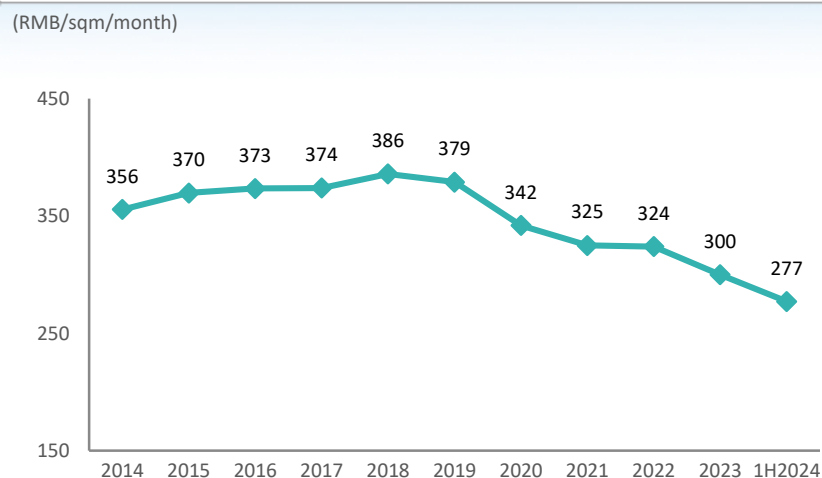
Beijing Leasing Market Condition

Beijing Overall

Beijing overall – Supply, Absorption, Occupancy

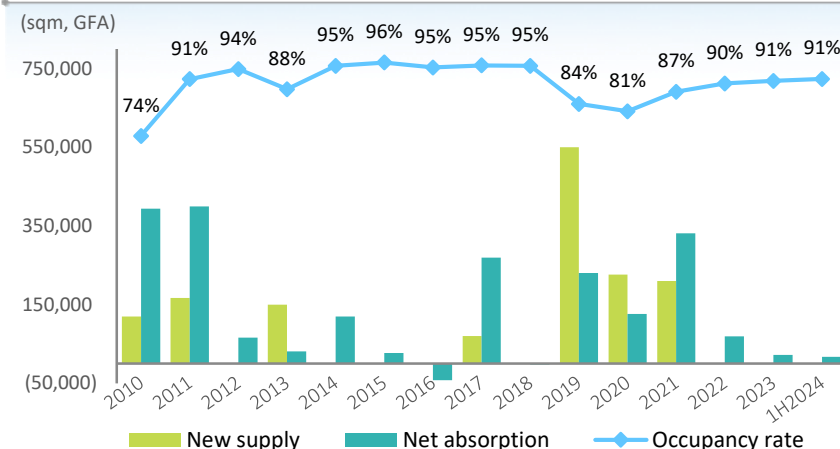


Beijing overall – Effective rental rate

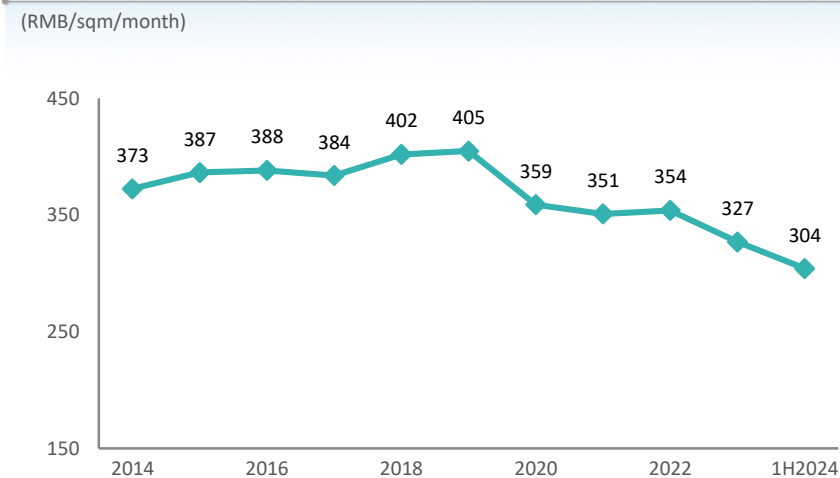


Beijing CBD

Beijing CBD – Supply, Absorption, Occupancy



Beijing CBD – Effective rental rate



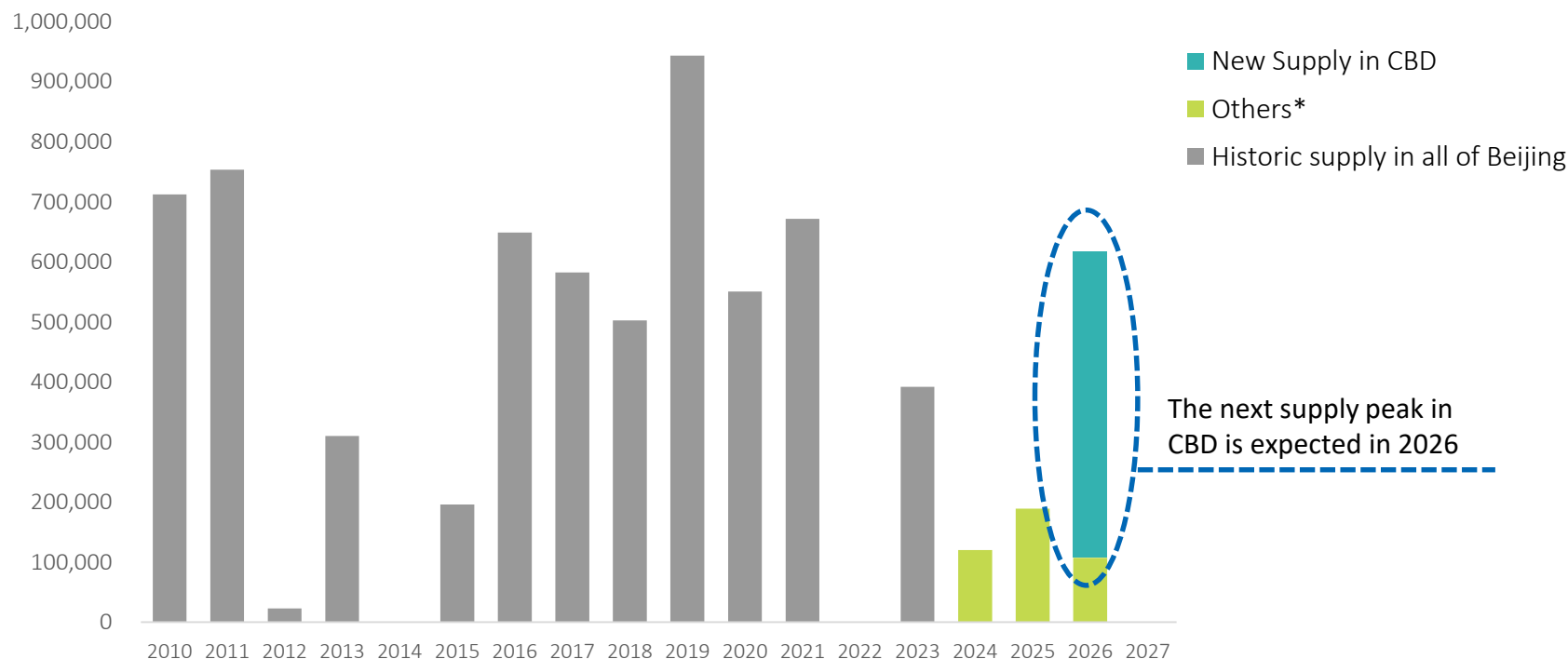


Beijing Future Grade-A Office Supply

- No new supply in CBD in 2024 and 2025.
- Of the 617,000 sqm GFA of new supply in 2026, 510,000 sqm will be located in the CBD area, representing for 4 properties in Zhongfu area.

Grade-A office supply by year

(sqm, GFA)



Note:

* Others included Zhongguancun, 3rd Embassy Area, Olympic Park, Wangjing, and Lize

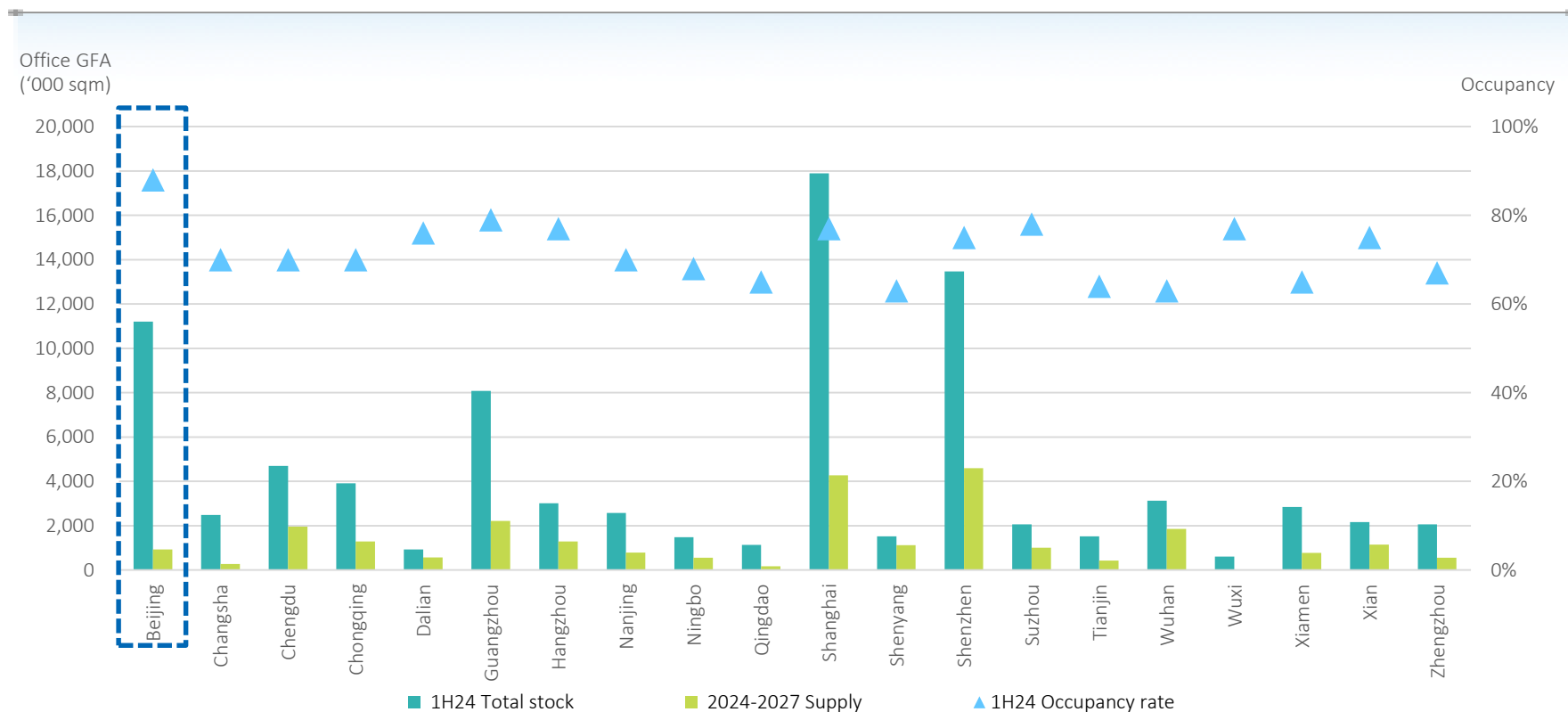
All of the above data are based on JLL Research, Jun 2024



Comparison of Grade-A Office Markets across China

- Beijing has highest office occupancy of 88%. All other cities have occupancy rate under 80%
- Low new supply in Beijing in the next 4 years, only 2.1% p.a. of existing stock (vs avg. 8.2% p.a. of other selected cities)

Grade-A office markets across China





The CCP Property : Operations Summary

- Beijing office market has remained subdued, with a limited volume of new lettings and a focus by landlords on concessions and rent reductions in renewal negotiations. Total revenue was decreased by 4.5% HoH, reflecting a moderate decline in occupancy.
- Property operating expenses declined by 6.7% mainly due to lower leasing commission and lower property taxes incurred.
- Cost structure remained stable, with NPI margin at 74.2% (2H 2023: 73.6%; 1H 2023: 74.7%).

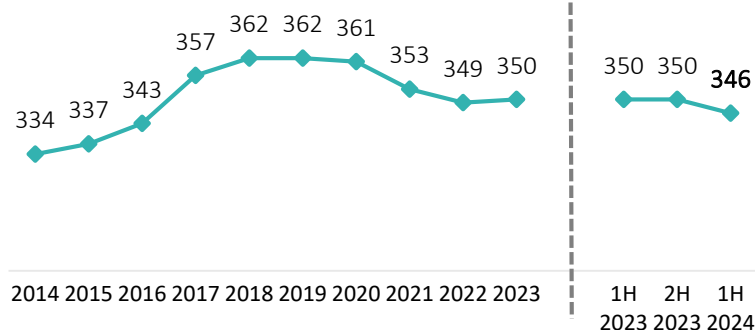
(in RMB million)	1H 2024	HoH Chg	2H 2023	HoH Chg	1H 2023
Revenues					
- Rental income	221.00	(4.6%)	231.54	0.9%	229.52
- Car park income	2.37	15.0%	2.06	37.3%	1.50
- Other income	1.79	(15.2%)	2.11	(39.0%)	3.46
Total revenue	225.16	(4.5%)	235.71	0.5%	234.48
Property Operating Expenses					
- Property management fee	(4.96)	(4.2%)	(5.18)	-	(5.18)
- Property taxes	(27.52)	(5.1%)	(29.00)	1.4%	(28.61)
- Withholding tax	(22.43)	(7.7%)	(24.30)	1.7%	(23.89)
- Other taxes	(0.39)	85.7%	(0.21)	(8.7%)	(0.23)
- Leasing commission	(1.15)	(62.0%)	(3.03)	240.4%	(0.89)
- Other expenses	(1.55)	269.0%	(0.42)	-	(0.42)
Total property expenses	(58.00)	(6.7%)	(62.14)	4.9%	(59.22)
Net Property Income	167.16	(3.7%)	173.57	(1.0%)	175.26



The CCP Property : Leasing Performance

Average passing rents

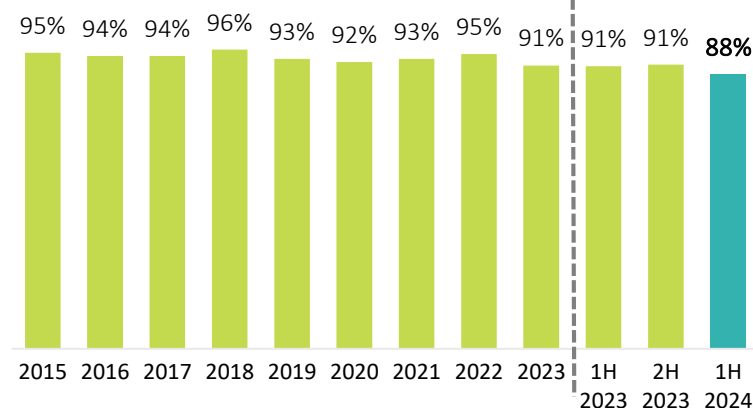
(RMB per sqm per month)



- Average passing rent decreased slightly by 1.1% HoH and YoY in 1H 2024
- 1H 2024 Rental reversion: -4.8% (FY2023: 0.7%)
- 1H 2024 Retention rate: 62% (FY2023: 75%)

Average occupancy rates

(%)



- Average occupancy rate decreased to 88% for 1H 2024, affected by tenant downsizing and early termination
- Beijing office market challenges persists; focus remains on occupancy over rent

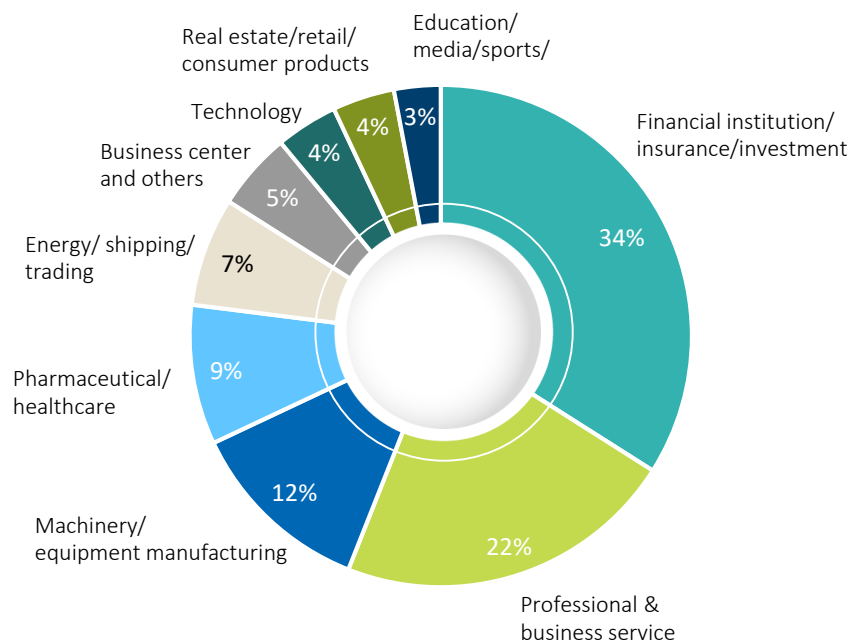


The CCP Property : Diverse and High-quality Tenant Mix

Tenants by industry

As % of leased office GFA

(As of 30 Jun 2024)



Top 5 tenants

Tenants

% of total leased GFA

Epson	6.5%
Zhong De Securities	4.6%
Global Law	4.6%
The Executive Centre	4.4%
Condé Nast	3.4%

23.5%

Note: as of 30 Jun 2024

Other industry-leading tenants

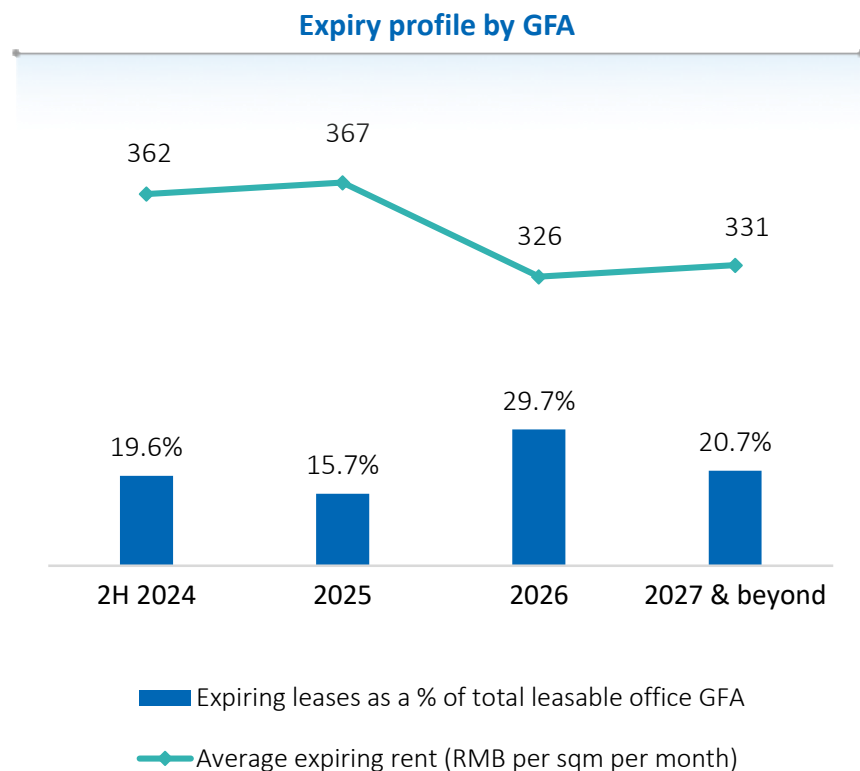
- White & Case
- Baxter
- Deutsche Bank
- SMBC Nikko Securities
- AECOM
- Bain & Company
- Richemont
- AIG

Note: as of 30 Jun 2024



The CCP Property : Expiring Lease Profile

- Average lease expiry of existing leases (in GFA terms) as of 30 Jun 2024 was 596 days.
- Leases expiring in 2H 2024 accounted for 19.6% of leasable GFA, with an average expiring unit rent of RMB362 per sqm.



HUAMAO PLACE OPERATION REVIEW



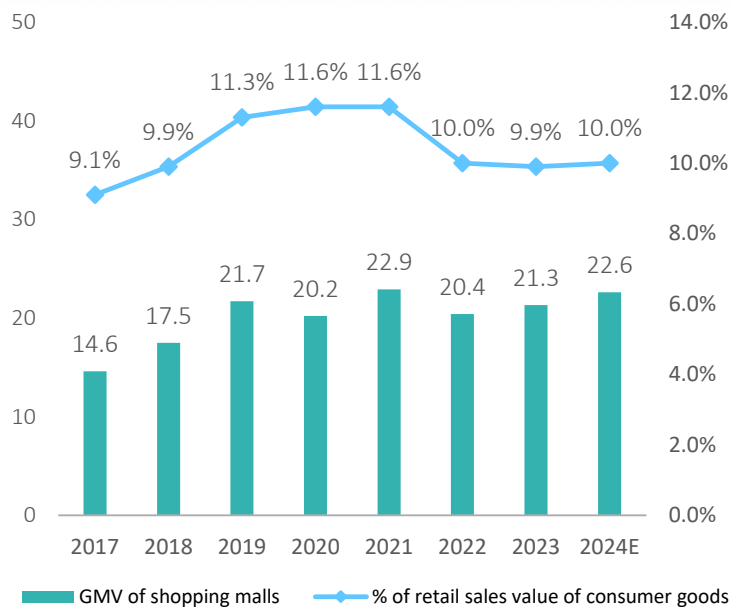


Huizhou Retail Market Overview

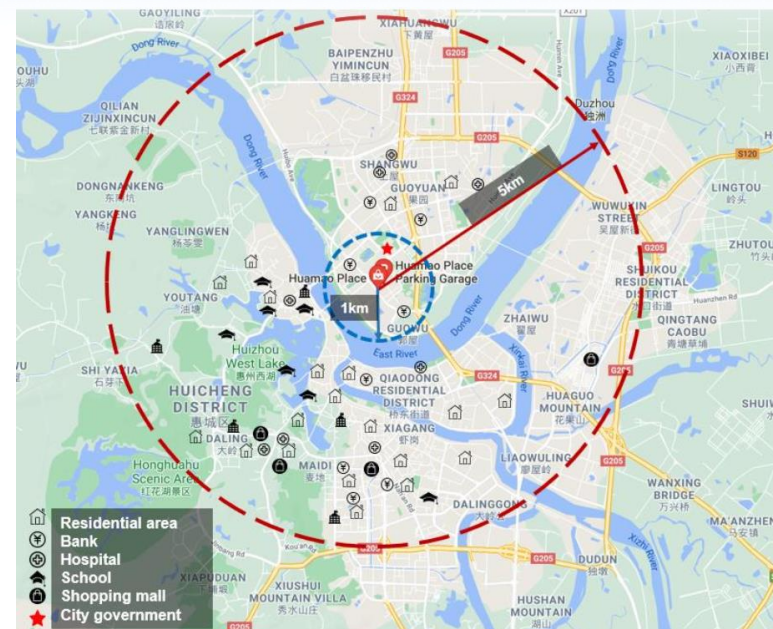
- Huizhou's shopping mall industry has experienced robust growth, driven by high economic growth potential, ongoing urbanisation, consumption upgrading, expanding retail facilities, and continued government support.
- 35 shopping malls in Huizhou with overall retail GFA of approx. 2.5 million sqm as of 30 June 2024, managed by 29 shopping mall management service providers. The overall Gross Merchandise Value ("GMV") of shopping malls in Huizhou increased from RMB20.2 billion in 2020 to RMB21.3 billion in 2023. The share of Huamao Place in the Huizhou shopping industry in GMV amounted to 8.7% as for 1H 2024.

GMV in Huizhou 2017-2024E

(RMB billion)



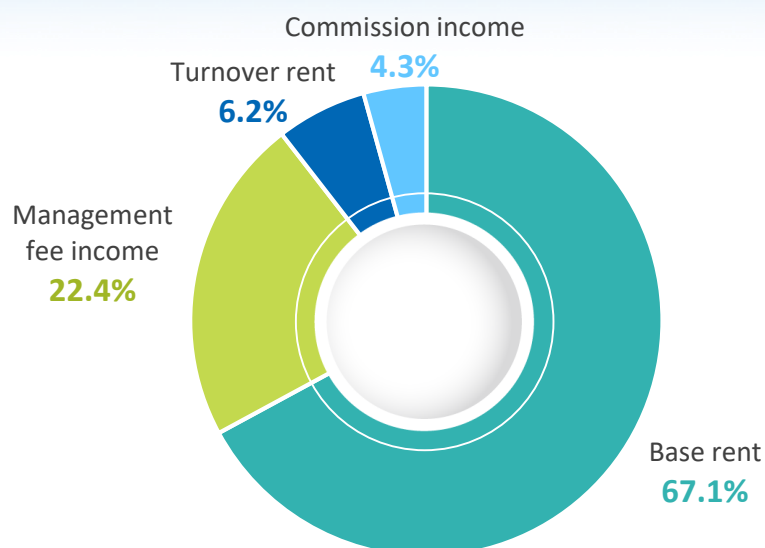
Location of Huizhou Huamao Place, at center of CBD



Huamao Place in Huizhou : Operations Summary

(in RMB million)	1H 2024	HoH Chg	2H 2023	HoH Chg	1H 2023
Revenues					
- Rental income	111.8	3.7%	107.8	1.1%	106.6
- Other income	3.3	73.7%	1.9	(45.7%)	3.5
Total revenue	115.1	4.9%	109.7	(0.4%)	110.1
Property Operating Expenses	(28.4)	(23.7%)	(37.2)	24.0%	(30.0)
Net Property Income	86.7	19.6%	72.5	(9.5%)	80.1

1H 2024 Rental income mix



1H 2024 Average daily footfall

>37,500



1H 2024 Average monthly GMV

~RMB163 mn



1H 2024 Occupancy cost

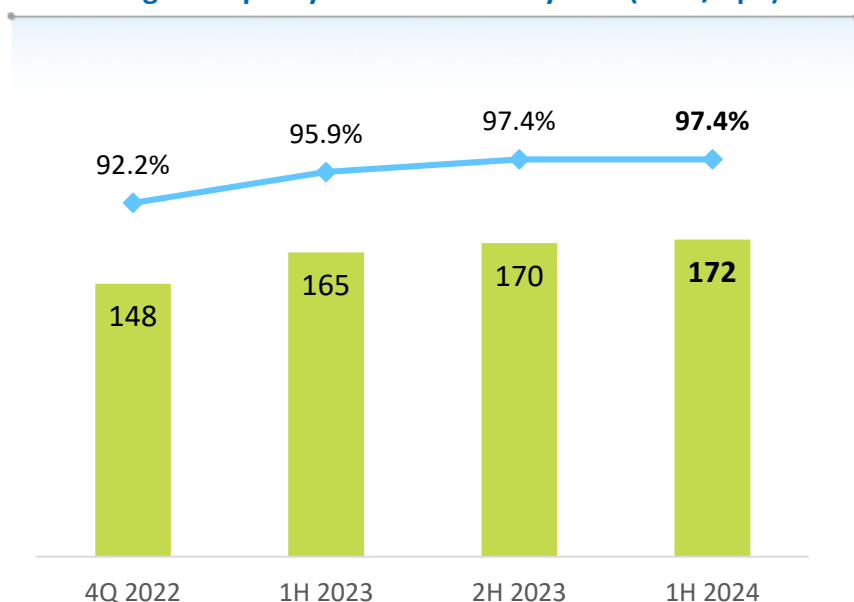
11.5%



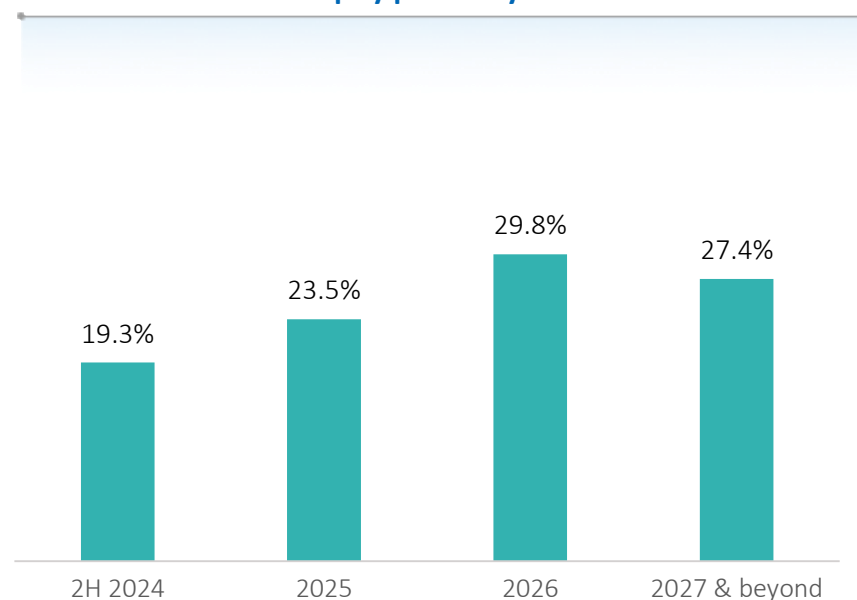
Huamao Place in Huizhou : Operations Summary (continued)

- The retail positioning of Huamao Place was further enhanced by the clustering of various international cosmetics brands, prominent electric vehicle brands, and other prestige electronic products on the mall's ground floor.
- Successfully signed leases with 78 new merchants in 1H 2024.

Average occupancy rate and monthly rent (RMB/sqm) ¹



Expiry profile by GFA



Note:

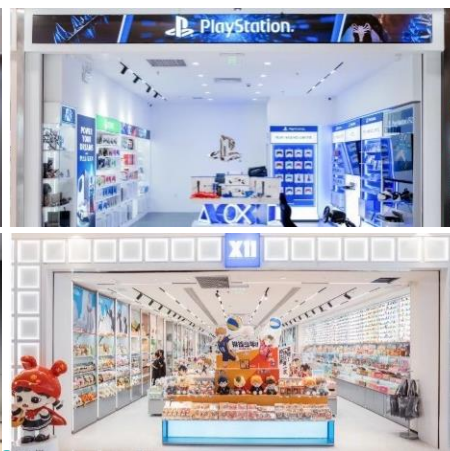
1. Average monthly rent is presented net of business tax and VAT (where applicable) and is comprised of base rental income, turnover rental income, consignment sales income and service fee income.

Huamao Place in Huizhou : Leasing Updates

Ongoing tenant reconfiguration initiative to ensure our tenant mix remains attractive



Exciting new shops to cultivate a vibrant atmosphere at the mall

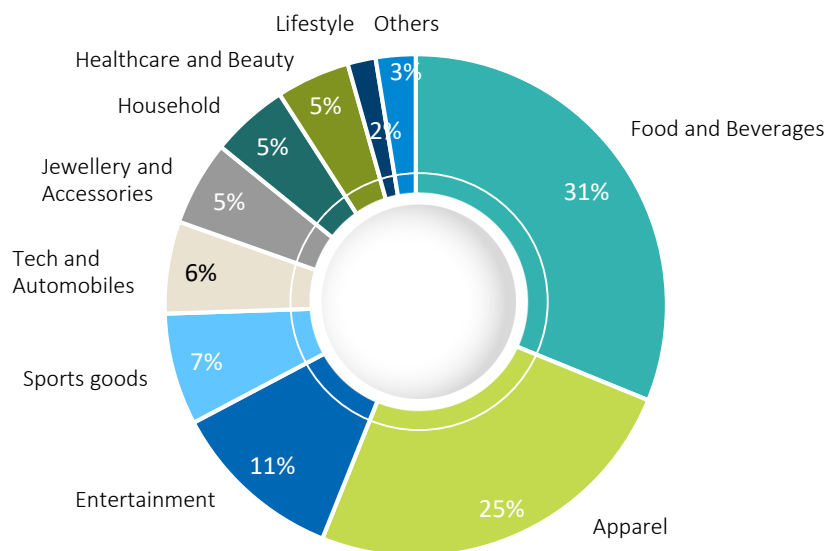




Huamao Place in Huizhou : Tenant Mix

Tenants by industry

As % of leased GFA



Top 5 tenants

Tenant's trade sector

By GFA

Entertainment	7.1%
F&B	4.2%
Tech and Automobiles	1.8%
Household	1.8%
Household	1.5%

16.4%

Huamao Place in Huizhou : Event Highlights



- An estimated 181,000 shoppers visited the mall at the New Year's Eve, +187% yoy



- Tesla Cybertruck exhibition, exclusive in Huizhou



- Fashion show@Huamao Place 13th Anniversary
- Footfall +36% yoy, GMV +22% yoy during the anniversary festive event



- Awarded LEED Gold Certification, the first shopping mall in Huizhou

UK PORTFOLIO OPERATION REVIEW



Location of the properties



KEY:

- LARGE RENT
- MEDIUM RENT
- SMALL RENT

TRADING NAME	TOWN	ADDRESS	POSTCODE
Kwik Fit	Chelmsford	103 New London Road	CM2 0PP
Kwik Fit	South Croydon	453 Brighton Road	CR2 6EW
Kwik Fit	Tottenham	32 Monument Way	N17 9NX
Kwik Fit	Bridlington	32-36 St Johns Street	YO16 7JS
Kwik Fit	Chapel Allerton	Leeds, 232 Harrogate Road	LS7 4QD
Kwik Fit	Edinburgh	107/109 Dundee Street	EH11 1AW
Kwik Fit	Croydon	3 Mitcham Road	CR0 3RU
Kwik Fit	Wigan	Wallgate	WN5 0XG
Kwik Fit	Edinburgh	19 Corstorphine Road	EH12 6DD
Kwik Fit	Llandudno	Conway Road	LL30 1DE
Kwik Fit	Altrincham	1-3 Church Street	WA14 4DB
Kwik Fit	Middlesbrough	3 Lansdowne Road	TS4 2LW
Kwik Fit	Plymouth	125-129 Alexandra Road	PL4 7EG
Kwik Fit	Loughborough	24-29 The Rushes	LE11 5BG
Kwik Fit	Truro	Treaswalls Road	TR1 3PY
Central Tyres	Gloucester	Unit 3 Northbrook Road	GL4 3DP
Kwik Fit	Portsmouth	94 East Surrey Street	PO1 1JY
Kwik Fit	Bridgewater	48-54 St John's Street	TA6 5HY
Kwik Fit	Worcester	1 Carden Street, City Walls	WR1 2AX
Kwik Fit	Yoker	2369-2375 Dumbarton Road	G14 0NT
Tyre City	Northwich	Leicester Street	CW9 5LQ
Kwik Fit	Blyth	Cowpen Road	NE24 5TT
Kwik Fit	Stirling	11 Burghmuir Road	FK8 2DY
Kwik Fit	Sunderland	Monk Street	SR6 0BD
Kwik Fit	Motherwell	99a Airbles Road	ML1 2TJ
Kwik Fit	Kilmarnock	32/36 Low Glencairn Street	KA1 4DD
Kwik Fit	Skegness	50 Roman Bank	PE25 2SP
Kwik Fit	Hornchurch	Ardleigh Green Road	RM11 2ST
Kwik Fit	Glasgow	381 Pollokshaws Road	G41 1QZ
Kwik Fit	Sheffield	Townhead Street	S1 1YG
Kwik Fit	Glenrothes	Fullerton Road	KY7 5QR
Kwik Fit	Alloa	Clackmannan Road	FK10 1RR
Kwik Fit	Great Yarmouth	90 North Quay	NR30 1JT
Kwik Fit	Edinburgh	81/91 Dundee Street	EH11 1AW
Kwik Fit	Carmarthen	Pensarn Road	SA31 2BS
Kwik Fit	Preston	Market Street	PR1 2HP
Kwik Fit	Kirkcaldy	182 The Esplanade	KY1 2AQ
Kwik Fit	Rutherglen	273 Main Street	G73 1EE
Kwik Fit	Ayr	22/26 Maybole Road	KA7 2PZ
Kwik Fit	Liverpool	232 Aigburth Road	L17 0BJ
Kwik Fit	Stonehaven	110 Barclay Street	AB39 2AP
Non-Op	Edinburgh	40a Portobello Road	EH8 7EH

TRADING NAME	TOWN	ADDRESS	POSTCODE
Kwik Fit	Otley	Bondgate	LS21 3AB
Kwik Fit	Thornaby-On-Tees	212 Thornaby Road	TS17 8AA
Kwik Fit	Edinburgh	69b Saughton Road North	EH12 7JB
Kwik Fit	Shipley	58 Briggate	BD17 7BT
Kwik Fit	Oldham	Huddersfield Road	OL1 3HR
Kwik Fit	Ellesmere Port	116 Whitby Road	CH65 0AA
Kwik Fit	Pontypridd	Sardis Road	CF37 1BA
Kwik Fit	Hyde	26-28 Manchester Road	SK14 2BD
Kwik Fit	Lincoln	148-150 Newark Road	LN5 8QJ
Kwik Fit	Coatbridge	320 Main Street	ML5 3RX
Kwik Fit	Goole	Boothferry Road	DN14 6AG
Kwik Fit	Huddersfield	Lockwood Road	HD1 3QU
Kwik Fit	Congleton	46a West Road	CW12 4EU
Kwik Fit	Barrhead	17 Cross Arthurlie Street	G78 1QY
Budget	Ayr	38 Fort Street	KA7 1DE
Central Tyres	Stirling	1 Whitehouse Road	FK7 7SS
Kwik Fit	Keynsham	Ashton Way	BS31 2UF
Kwik Fit	Sheffield	726 City Road	S2 1GJ
Kwik Fit	Leven	The Promenade	KY8 4PJ
Kwik Fit	Oban	Market Street	PA34 4HR
Kwik Fit	Nelson	130 Leeds Road	BB9 9XB
Kwik Fit	Burnley	Caldervale Road	BB11 1BS
Kwik Fit	Helensburgh	3 Charlotte Street	G84 7PH
Winterstoke	Weston-Super-Mare	Winterstoke Road	BS23 3YE
Kwik Fit	Warrington	Priestley Street/Garibaldi Street	WA5 1TE
Kwik Fit	Eltham	727 Sidcup Road	SE9 3AQ
Kwik Fit	Clevedon	119-120 Kenn Road	BS21 6JE
Kwik Fit	Keighley	Worthway	BD21 5ET
Kwik Fit	Thornbury	14 Mead Court	BS35 3UW
Kwik Fit	Southport	8 Ash Street	PR8 6JH
Kwik Fit	Forfar	Queenswell Road	DD8 3JA
Kwik Fit	Castleford	Leeds, 92 Bridge Street	WF10 4LA
Kwik Fit	Raddcliffe	Bury Road	M26 2UG
Kwik Fit	Oldham	Middleton Road/Lansdowne Road	OL9 9EG
Kwik Fit	Birmingham	900/902 Coventry Road	B10 0UA
Kwik Fit	Montrose	24 George Street	DD10 8EW
Kwik Fit	Islington	379 Camden Road	N7 0SH
Kwik Fit	Kidderminster	20 Churchfields	DY10 2JL
Kwik Fit	Doncaster	Wheatley Hall Road	DN2 4LP
Tyre City	Lichfield	8-9 Europa Way	WS14 9TZ
Budget	Dumfries	40 Lauricknowe Road	DG2 7DA
Kwik Fit	Bishop Auckland	Cockton Hill Road	DL14 6JN



UK Portfolio : Long-term and quality cash flow, with upward-only revisions



Occupancy rate

100%



Annual contract
rental income

GBP4.76 mn

- Each of the 84 properties in the UK Portfolio is under a long-term lease with the tenant Kwik-Fit (GB) Limited, a leading car servicing operator in the United Kingdom, with all but one of the leases expiring in March 2032. (The ground lease and the commercial lease for the property located in Islington will be expired in September 2024).
- Spring REIT enjoys substantial pass through of rental income as the leases are “full repairing and insuring” in nature. This means that the tenant agrees to pay all real estate taxes, building insurance, and maintenance (the triple "nets") on the properties.

An aerial night photograph of a large, crowded shopping mall plaza. The plaza is filled with a dense crowd of people, many of whom are holding up their phones to take pictures or videos. In the center of the plaza, there is a large, illuminated globe sculpture on a pedestal. The surrounding buildings are modern and brightly lit, with large digital screens displaying advertisements. The overall atmosphere is festive and vibrant. The text "OUTLOOK & STRATEGIC PRIORITIES" is overlaid on the image in a large, blue, sans-serif font, enclosed within a semi-transparent teal circle.

OUTLOOK & STRATEGIC PRIORITIES



Outlook & Strategic Priorities

Continued pressure on rent and occupancy in the Beijing office market is expected throughout 2024

- Beijing office market has remained subdued, with a limited volume of new lettings and a focus by landlords on concessions and rent reductions in renewal negotiations. Cost-conscious tenants in the CBD are still opting to relocate or downsize, intensifying the competition for quality tenants in premium core areas. We anticipate continued pressure on rent and occupancy in the Beijing office market throughout 2024, including for Grade A office space, where competition may be fierce as landlords aim to attract dwindling leasing demand.
- At our CCP Property, we will be continuing to prioritize occupancy over rent in the remainder of the year.

Huamao Place in Huizhou continue to benefit from robust consumption & its premier positioning as a high-end destination mall

- The GBA has been designated an area of strategic importance for China's future development. Its population, including that of Huizhou City, is expected to become more affluent in the years ahead due to ongoing urbanization and economic growth, consumption upgrades, and continued government support.
- The mall's current tenant mix, featuring retailers of electric vehicles, high-tech products, dining options, and cosmetics, caters well to modern consumer preferences. Plans are in place to allocate additional resources with the goal of further enhancing the mall's social media presence, and promoting Huamao Place as a premier venue for festive events and celebrations.

Prudent capital management strategy to mitigate interest rate risk and limit exposure to currency fluctuations

- From the capital management perspective, Spring REIT's earlier decision to lock in the interest rates of almost all its loan exposures has proved effective in mitigating our interest rate risk in 2024. Additionally, Spring REIT has adopted a proactive approach to currency risk management. By closely monitoring the movements of the RMB currency against the USD and HKD, and taking advantage of declining RMB borrowing costs, the Manager has entered into HKD-RMB CCS to align an increased portion, being 82.7%, of Spring REIT's total borrowings with the currencies of the underlying assets, further mitigating foreign exchange exposures.
- Although elevated interest rate levels have had a lingering impact on the cost of debt, they have also brought a silver lining in terms of moderating global inflation trends. We will remain vigilant in monitoring changes in market conditions, and will adapt our capital management efforts to the evolving macroeconomic environment.