

For immediate release



Spring REIT announces 2025 Interim Results

- ***Strong retail performance at Huamao Place in Huizhou with net property income growth, further strengthening Spring REIT's presence in the Greater Bay Area***
- ***CCP Property maintained leasing momentum by exercising flexible and tenant-centric rental strategies***
- ***Disciplined capital management with 96% of borrowings effectively hedged or aligned to assets***

(Hong Kong, 21 August 2025) – **Spring Asset Management Limited** (the “**Manager**”), as manager of Spring Real Estate Investment Trust (“**Spring REIT**”, stock code: 1426), is pleased to announce the interim results of Spring REIT for the six months ended 30 June 2025 (“**1H 2025**” or the “**Reporting Period**”).

The Board of Directors of the Manager is pleased to declare an interim distribution of HK\$7.6 cents per Unit, remaining unchanged half-on-half (“**HoH**”) despite a 15.6% decrease year-on-year (“**YoY**”). Based on the closing price of HK\$1.73 per Unit as at 30 June 2025, the Reporting Period distribution per Unit (“**DPU**”) represents an annualized distribution yield of 8.8%.

During the Reporting Period, Spring REIT's revenue was RMB322.56 million (1H2024: RMB361.47 million), representing a 5.4% decrease HoH and a 10.8% decrease YoY. Net property income decreased 1.6% HoH and 13.9% YoY respectively to RMB236.64 million. Excluding the effect of the UK portfolio, NPI for the period increased 3.7% HoH and decreased 10.4% YoY respectively. Total distributable income amounted to RMB102.33 million, representing an increase of 0.4% HoH.

Beijing CCP Property: Navigating a stabilising market with a focus on resilience

The China Central Place Office Tower 1 and 2 and the relevant portion of the car park (the “**CCP Property**”) reported a 2.7% decrease in revenue HoH. Rental income generated from the office space decreased by 2.6% HoH, reflecting a moderate decline in average unit rent since 31 December 2024. Property operating expenses decreased 6.6% HoH, mainly due to lower commission expenses as lease renewals dominated activity during the period. After deducting property operating expenses, net property income amounted to RMB149.12 million, representing a decrease of 1.2% HoH and 10.8% YoY.

The CCP Property registered an average occupancy rate of 86.2% in 1H 2025. Average monthly unit rent (net of Value-Added Tax) decreased to RMB348 per sqm in 1H 2025 as a result of negative rental reversion under the current challenging environment.

Strong performance at Huamao Place (華貿天地) in Huizhou

Spring REIT has continued its efforts to elevate Huamao Place, its flagship retail mall in Huizhou, as a premier high-end lifestyle destination, further enhancing its unique market positioning. A number of celebrated brands have been welcomed to the mall, distinguishing the mall from competitors and reinforcing its upscale identity, several of which have chosen Huamao Place as their city-first or flagship location. During the Reporting Period, Spring REIT was successful in signing leases with 61 new merchants.

In 1H 2025, Huamao Place delivered strong performance, achieving an average occupancy rate of 92.9%. The mall's average monthly unit rent increased from RMB175 per sqm in 2H 2024 to RMB178 per sqm. Building on this progress, Huamao Place has been strategically adapting its trade mix to reflect changing market trends, including the full-scale renovation of the fifth-floor cinema of the mall. These upgrades will further solidify Huamao Place's position as a forward-looking, culturally relevant destination within the city. Huamao Place also remains a hub for creative and highly engaging events, contributing to its reputation as being more of a lifestyle experience than simply a mall.

Divestment of UK Portfolio to refocus on core Chinese markets

During the first half of 2025, up to the completion date of the disposal of the UK Portfolio on 28 March 2025, Spring REIT's UK Portfolio comprised 83 separate commercial properties. Each property was held on a long-term "full repairing and insuring" lease to Kwik-Fit (GB) Limited ("**Kwik Fit**"), with all leases due to expire in March 2032. Throughout the period of ownership, the UK Portfolio maintained 100% occupancy and generated annualised contract rental income of approximately GBP 4.64 million (pro-rated for the period up to the completion date of the disposal of the UK Portfolio on 28 March 2025). Under the triple-net lease structure, the tenant pays all property taxes, building insurance and maintenance costs on the properties in addition to normal fees that are specified under the agreement (e.g. rent and utilities).

On 18 February 2025, Spring REIT entered into a sale and purchase agreement for the entire UK Portfolio at an implied consideration of GBP 73.5 million. The transaction, which received 99.99% independent unitholders support, was completed on 28 March 2025. Net proceeds are to be deployed in accordance with Spring REIT's capital management strategy. These will enhance Spring REIT's financial flexibility and enable it to refocus on its core Chinese markets.

Prudent capital management

Spring REIT continued to adopt a prudent and forward-looking approach to capital management. It has in place a hedging programme that has involved it entering into float-to-fixed interest rate swap ("**IRS**") and HKD-RMB cross-currency swaps ("**CCS**") contracts of varied tenures to mitigate its interest rate and exchange rate risks.

As at 30 June 2025, about 96% of Spring REIT's borrowings were either covered by interest rate hedges and CCS, or were under a relatively stable PRC loan prime rate (31 December 2024: 97%). Additionally, 81% of the total borrowings were denominated in currencies aligned with the relevant underlying assets as at 30 June 2025 (31 December 2024: 83%).

Delivering stability in a fluid market in 2H 2025

Looking ahead, the broader macroeconomic picture remains fluid. However, improved office leasing demand is expected in response to targeted government support and new stimulus initiatives aimed at revitalising domestic business activity. They are expected to stimulate renewed interest in high-quality office space in key urban centres such as Beijing.

For Spring REIT, the foundations are in place for a more resilient performance in 2025 as the Beijing office market stabilises and Huamao Place's status as Huizhou's premier retail and lifestyle destination is further reinforced. Through its focus on operational agility, tenant engagement, and sound financial management, Spring REIT is well-prepared to deliver stable distributions to unitholders and take advantage of future growth trends within its core markets.

Mr. Toshihiro TOYOSHIMA, Chairman of Spring Asset Management Limited, said "The first half of 2025 has been marked by strategic adaptation and resilience for Spring REIT. Encouraging signs of market stabilization are emerging in Beijing, where our proactive, tenant-centric approach at CCP Property has been pivotal in maintaining high occupancy rate. Meanwhile, our retail flagship in the Greater Bay Area, Huamao Place, continues to demonstrate robust performance. While mindful of the fluid macroeconomic landscape, we are confident that our operational agility and unwavering commitment to our core markets position us well to navigate the path ahead. Spring REIT is dedicated to continuing to deliver stable and sustainable returns to our unitholders."

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About Spring Real Estate Investment Trust (stock code: 1426)

Spring Real Estate Investment Trust ("**Spring REIT**", stock code: 1426) is a real estate investment trust which invests in high quality income-producing real estate. Listed on 5 December 2013 on the Hong Kong Stock Exchange, Spring REIT's property portfolio comprises (i) two Premium Grade office buildings strategically located in the Central Business District of Beijing, (ii) a landmark shopping mall Huamao Place in Huizhou, Greater Bay Area, and (iii) a long-income portfolio of commercial properties in the United Kingdom ("**UK Portfolio**")*. Spring REIT seeks to offer to Unitholders stable distributions and the potential for sustainable long-term growth through investing in a diversified portfolio of income-producing real estate.

Spring REIT is managed by Spring Asset Management Limited, a company incorporated in Hong Kong. As at 30 June 2025, the Manager is 80.4% owned by Mercuria Holdings Co., Ltd. ("**Mercuria Holdings**"), which is an investment holding company listed on the Tokyo Stock Exchange (Stock Code: 7347) with notable shareholders such as Development Bank of Japan, Itochu Corporation and Sumitomo Mitsui Trust Bank, Limited.

**On 18 February 2025, Spring REIT (through its wholly-owned subsidiary) entered into a sale and purchase agreement with an independent third-party buyer for the sale of the UK Portfolio. The transaction has been approved by independent unitholders on the EGM held on 10 March 2025 and is expected to be completed on 28 March 2025. For details, please refer to the Disposal circular and announcement dated 18 February 2025, as well as the EGM poll results announcement dated 10 March 2025.*

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RESULTS HIGHLIGHT

| (in RMB million unless otherwise specified) | | | | | |
|---|---------------|------------|------------------------|------------|---------------|
| For the Six Months Ended | 30-Jun-2025 | HoH Change | 31-Dec-2024 | HoH Change | 30-Jun-2024 |
| Revenue | 322.56 | (5.4%) | 341.00 | (5.7%) | 361.47 |
| Property operating expenses | (85.91) | (14.5%) | (100.45) | 15.8% | (86.73) |
| Net property income | 236.64 | (1.6%) | 240.55 | (12.4%) | 274.74 |
| Net property income margin | 73.4% | +2.9 ppts | 70.5% | -5.5 ppts | 76.0% |
| G&A expenses | (39.44) | (11.7%) | (44.67) | 1.4% | (44.06) |
| Cash interest expense | (85.04) | (10.4%) | (94.90) | (5.7%) | (100.66) |
| Current income tax | (18.22) | 16.3% | (15.67) | (14.9%) | (18.42) |
| (Loss)/profit after taxation attributable to Unitholders | (35.70) | (59.9%) | (88.91) | (310.3%) | 42.28 |
| Profit after taxation attributable to non-controlling interests | 15.40 | 55.0% | 9.94 | (41.5%) | 17.00 |
| Total distributable income | 102.33 | 0.4% | 101.92 | (14.6%) | 119.33 |
| Unit information | 1H 2025 | HoH Change | 2H 2024 | HoH Change | 1H 2024 |
| DPU (HK cents) | 7.6 | - | 7.6 | (15.6%) | 9.0 |
| DPU (RMB cents equivalent) | 7.0 | - | 7.0 | (14.6%) | 8.2 |
| Payout ratio | 100% | - | 100% | - | 100% |
| Net asset value per Unit (HK\$) | 4.3 | (1.4%) | 4.36 | (5.0%) | 4.59 |
| Number of Units (excluding treasury units) | 1,469,039,643 | 0.8% | 1,459,041,125 | 0.6% | 1,450,217,368 |
| As at | 30-Jun-2025 | HoH Change | 31-Dec-2024 | HoH Change | 30-Jun-2024 |
| Property valuation | 11,244.00 | (5.5%) | 11,901.92 ¹ | (0.7%) | 11,981.86 |
| Total assets | 12,055.41 | (4.6%) | 12,638.24 | (1.3%) | 12,804.75 |
| Total borrowings | 4,751.85 | (9.2%) | 5,234.72 ² | 0.8% | 5,194.63 |
| Net asset value attributable to Unitholders | 5,759.42 | (2.2%) | 5,887.41 | (3.1%) | 6,078.03 |
| Gearing ratio | 39.4% | +1.4 ppts | 38.0% ³ | -2.6 ppts | 40.6% |

Notes:

1. Includes the property valuation of the UK Portfolio.
2. Includes the interest-bearing borrowings of the UK Portfolio.
3. If bank borrowing, included in liabilities classified as held for sale (which was referring to the UK Portfolio) were included, the Group's gearing ratio was 41.4% as at 31 December 2024.