



Spring REIT Completes Acquisition of 68% Interest of Huamao Place in Huizhou for RMB 1,639 million

- ***Capture development and growth potential of Greater Bay Area and Huizhou***
- ***Unitholders to enjoy 12.9%^{Note1} accretion of distribution per unit (“DPU”), with no ownership dilution***

(Hong Kong, 28 September 2022) – **Spring Asset Management Limited (the “Manager”)**, as the manager of **Spring Real Estate Investment Trust (“Spring REIT”, stock code: 1426)**, is pleased to announce that today it completed the acquisition of a 68% interest in the commercial property known as Huamao Place (華貿天地), an iconic high-end shopping mall in the central business district (CBD) of Huizhou, the PRC. As set out in the Pro Forma Completion Statement, the initial consideration for the acquisition was RMB1,639.36 million.

On 29 April 2022, the Manger announced that Spring REIT has agreed to acquire a 68% interest in Huamao Place. Huamao Place will complement Spring REIT's existing assets with a new presence in the Greater Bay Area, allowing the REIT to diversify the portfolio and capture the growth potential from the region's robust economic growth and increasing strategic importance to the PRC.

Mr. Toshihiro TOYOSHIMA, Chairman of Spring Asset Management Limited, said “we are delighted to complete this acquisition. The acquisition is in line with our strategy of investing in yield-accretive and income-producing real estate assets. Along with the strategic partnership with Huamao Property, a veteran commercial real estate developer and operator in the PRC, we believe both parties will jointly enhance the performance of Huamao Place and offers long-term growth potential for our unitholders.

Located in Jiangbei, the CBD of Huizhou, Huamao Place is well positioned to attract a wide range of potential customer groups. It has clear transportation advantages and houses a selection of international and domestic top-tier brand names such as Estee Lauder, Lancôme, Hugo Boss, and BOSE, which are rarely seen in shopping malls in Huizhou. With its prime location and unique market positioning, we are confident that Huamao Place will continue to champion Huizhou’s vibrant retail scene and grow with the wider Greater Bay Area.

The acquisition was funded by debt. Upon completion of the acquisition, Spring REIT’s pro forma DPU would have improved by 12.9%^{Note1} for the year ended 31 December 2021, providing yield accretion to unitholders with no ownership dilution.

Following the acquisition, key management staff of the property manager and building manager will be selected from the existing team to ensure continuity and effective management of day-to-day operations of Huamao Place.”

Notes:

1. As disclosed in Spring REIT’s circular dated 3 May 2022, upon completion of the acquisition, based on consolidated statement of distribution of Spring REIT for the year ended 31 December 2021, the pro forma DPU for the year ended 31 December 2021 would have improved by 12.9% from HK22.0 cents to HK24.8 cents as if the Acquisition was completed on 1 January 2021 and Spring REIT had held and operated 68% of the Target Property through to 31 December 2021.

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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 that invests in high quality income-producing real estate. Listed on the Hong Kong Stock Exchange on 5 December 2013, Spring REIT offers direct exposure to two Premium Grade office buildings strategically located in the Central Business District of Beijing and 84 separate commercial properties in the United Kingdom. Spring REIT seeks to offer Unitholders stable distributions and the potential for sustainable long-term growth through investment in a diversified portfolio of income-producing real estate.

Spring REIT is managed by Spring Asset Management Limited (as the manager of Spring REIT, the “Manager”), a company incorporated in Hong Kong for the sole purpose of managing Spring REIT. As at 30 June 2022, 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 the Development Bank of Japan, Itochu Corporation and Sumitomo Mitsui Trust Bank, Limited.

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