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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

CHANGE OF PRESENTATION CURRENCY

The board of directors (the "**Board**") of Spring Asset Management Limited (the "**Manager**"), in its capacity as manager of Spring Real Estate Investment Trust ("**Spring REIT**"), hereby announces that Renminbi ("**RMB**") will be adopted as the presentation currency for the consolidated financial statements of Spring REIT, commencing from the interim results of Spring REIT for the six months ended 30 June 2019 (the "**FY2019 Interim Results**").

The consolidated financial statements of Spring REIT have been presented in United States Dollars ("**USD**") since the listing of Spring REIT on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Having considered that:

- (i) (a) most of Spring REIT's transactions are denominated and settled in RMB; and (b) based on the consolidated financial statements of Spring REIT for the financial year ended 31 December 2018, approximately 91% of Spring REIT's net property income was derived from the property known as China Central Place Office Towers 1 and 2 located in Beijing, the People's Republic of China (the "**PRC**");
- (ii) given that the respective functional currency of Spring REIT and its subsidiaries remains unchanged, the change in the presentation currency from USD to RMB should reduce the impact of any exchange rate fluctuation, which is not related to the operating performance of Spring REIT's assets and is beyond the Manager's control, on the presentation of the consolidated financial statements of Spring REIT, and therefore enable the unitholders (the "**Unitholders**") and prospective investors of Spring REIT to have a more accurate picture of the underlying performance of the assets of Spring REIT; and
- (iii) the use of RMB as the presentation currency in the consolidated financial statements of Spring REIT is consistent with the practice of other real estate investment trusts which are listed on the Stock Exchange and which have most of their properties located in the PRC,

the Board, taking into account the analysis of its professional accounting advisors, is of the view that it would be more suitable and in the interests of Unitholders to use RMB as the presentation currency for the consolidated financial statements of Spring REIT.

In view of the above, the Manager has decided to adopt RMB as the presentation currency for the consolidated financial statements of Spring REIT. The first set of consolidated financial statements of Spring REIT with RMB as the presentation currency will be the FY2019 Interim Results. To assist Unitholders and prospective investors of Spring REIT with this change, comparative figures for 2018 will be restated in RMB. Distributions of Spring REIT will continue to be made in Hong Kong dollars. Further details will be disclosed in the FY2019 Interim Results.

The change of the presentation currency will result in the presentation of consolidated financial statements of Spring REIT be changed from USD to RMB and the restatement of the comparative figures from USD to RMB. Other than that, as the respective functional currencies of Spring REIT and its subsidiaries remain unchanged, the change of the presentation currency is not expected to have a material impact on the financial position of Spring REIT.

Based on the view of the Board as set out above, the Manager considers that it would be more suitable and in the interests of Unitholders to use RMB as the presentation currency for the consolidated financial statements of Spring REIT.

This announcement is made pursuant to paragraph 10.3 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, 19 July 2019

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