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Spring Real Estate Investment Trust

春泉產業信託

(a Hong Kong collective investment scheme authorized 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**

SIGNING OF FACILITY AGREEMENT IN RELATION TO NEW SECURED TERM LOAN AND UNCOMMITTED REVOLVING FACILITY

The board of directors (the "**Board**") of Spring Asset Management Limited (the "**Manager**"), in its capacity as manager of Spring Real Estate Investment Trust (the "**Spring REIT**"), is pleased to announce that on 18 February 2015, RCA01 (the "**Borrower**"), a special purpose vehicle wholly-owned by Spring REIT, has entered into a facility agreement in respect of a five year floating rate secured term loan facility of US\$480 million ("**New Secured Term Loan**") and a new uncommitted revolving facility of US\$20 million ("**Uncommitted Revolving Facility**") (together, the "**New Term Loan Facilities**").

Upon the drawing of the New Secured Term Loan of US\$480 million, the proceeds of which will be used for the purpose of: (i) the early repayment of the Existing Term Loan Facility of US\$465 million; and (ii) paying the fees and expenses incurred and to be incurred by the Borrower in connection with the New Term Loan Facilities. Any remaining amount would be directed to the Borrower's general operating account. The Uncommitted Revolving Facility will be used for the general working capital requirements of the Borrower.

It is expected that the New Secured Term Loan will be drawn down in full in April 2015.

INTRODUCTION

Reference is made to the announcement issued by the Manager dated 19 December 2014 (the "**Commitment Letter Announcement**") in relation to the Commitment Letter in connection with a five year New Secured Term Loan of US\$480 million bears floating interest rate at three month London Interbank Offered Rate plus 275 basis points per annum and a five year Uncommitted Revolving Facility of US\$20 million bears floating interest rate at three month London Interbank Offered Rate plus 275 basis points per annum.

Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Commitment Letter Announcement.

NEW TERM LOAN FACILITIES

On 18 February 2015, the Borrower entered into a facility agreement (the “**Facility Agreement**”) with, among others, certain lenders (the “**New Lenders**”) and the Trustee as guarantors, pursuant to which the New Term Loan Facilities were granted to the Borrower.

The Manager confirms that the terms of the New Term Loan Facilities are substantially the same with what were disclosed in the Commitment Letter Announcement dated 19 December 2014. There are no material differences or additional key information.

For other material terms (e.g. the guarantor, the covenants and the security package) of the New Term Loan Facilities, please refer to the Commitment Letter Announcement.

As disclosed in the Commitment Letter Announcement, Deutsche Bank AG, London Branch (“**DB**”) in its capacity as: (i) a MLAUB; and (ii) one of the New Lenders; is a connected person of Spring REIT within the meaning of the REIT Code, and therefore, the transactions between the Borrower and DB as contemplated under the New Term Loan Facilities constitute "DB Banking and Financial Services Transactions" (as defined in the Offering Circular), for which a waiver was previously granted by the Securities and Futures Commission.

Each of the other New Lenders is: (i) an independent third party; and (ii) not a connected person of Spring REIT within the meaning of the REIT Code. Therefore, except as disclosed herein under this announcement, the New Term Loan Facilities and the entering into of the Facility Agreement do not constitute connected party transactions for Spring REIT.

Australia and New Zealand Banking Group Limited, an independent third party and not a connected person of Spring REIT (within the meaning of the REIT Code), acts as the facility agent and security agent under the Facility Agreement.

USE OF PROCEEDS

It is expected that the New Secured Term Loan will be drawn down in full in April 2015, for the purpose of the early repayment of the Existing Term Loan Facility, in the amount of US\$465 million, which shall mature on 27 January 2016 (with an option to extend for a further period of one year thereafter). The remaining US\$15 million will be used for the purpose of paying the fees and expenses incurred and to be incurred by the Borrower in connection with the New Term Loan Facilities. Any remaining amount would be directed to the Borrower’s general operating account. The Uncommitted Revolving Facility will be used for the general working capital requirements of the Borrower.

It is expected that the New Term Loan Facilities will not have a material impact on the financial position of Spring REIT.

LIMITATIONS ON BORROWING

The Manager does not expect the limitations on borrowing under paragraph 7.9 of the REIT Code to be exceeded as a result of drawdown of the New Term Loan Facilities.

Assuming the full drawdown of the New Term Loan Facilities in the aggregate principal amount of US\$500 million, the gearing ratio of Spring REIT would increase from approximately 33.5% as at 30 June 2014 to approximately 35.7%.

Assuming the full drawdown of the New Secured Term Loan in the aggregate principal amount of US\$480 million, the gearing ratio of Spring REIT would increase from approximately 33.5% as at 30 June 2014 to approximately 34.7%.

GENERAL

This is a mandatory announcement pursuant to 8.14, 10.3 and 10.4(d) of the REIT Code.

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

Hong Kong, 18 February 2015

As at the date of this announcement, the directors of the Manager are Toshihiro Toyoshima (Chairman and non-executive director); Lau Jin Tin, Don (executive director) and Nobumasa Saeki (executive director); Hideya Ishino (non-executive director); and Simon Murray, Liping Qiu and Lam Yiu Kin (independent non-executive directors).