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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

**COMPLETION OF ACQUISITION OF 68% INTEREST OF
HUAMA O PLACE IN HUIZHOU, THE PRC**

The Manager is pleased to announce that completion of the acquisition of 68% of the Target Property, known as Huamao Place, took place on 28 September 2022 (being the Completion Date). As set out in the Pro Forma Completion Statement, the Initial Consideration for the Acquisition was approximately RMB1,639.36 million.

Reference is made to the circular of Spring Real Estate Investment Trust (“**Spring REIT**”) dated 3 May 2022 (the “**Circular**”) and the announcement of Spring REIT dated 29 April 2022, respectively, each relating to, among other things, the acquisition of the commercial property known as Huamao Place in Huizhou, the PRC. Unless the context requires otherwise, terms used in this announcement shall have the same meanings as those defined in the Circular.

COMPLETION OF THE ACQUISITION

The Manager is pleased to announce that completion of the Acquisition pursuant to the terms of the Acquisition Agreements took place on 28 September 2022 (the “**Completion Date**”) following the satisfaction of all Conditions under the Acquisition Agreements. Accordingly, Spring REIT has, through the Purchasers and the Target Group, become the owner of 68% of the Target Property.

As set out in the Pro Forma Completion Statement, the initial consideration (the “**Initial Consideration**”) for the Acquisition was approximately RMB1,639.36 million.

On the Completion Date, in accordance with the Acquisition Agreements, the Purchasers paid and procured the payment of the aggregate amount of approximately RMB1,572.36 million (the “**Completion Payment**”), which comprises:

- (a) the Initial Offshore Consideration of RMB582,573,540.85, being the balance of the following minus the Tax Holdback Amount of RMB67,000,000.00:
 - (i) RMB757,020,000.00, being 31% of the Agreed Property Value; minus
 - (ii) RMB248,000,000.00, being 31% of the outstanding amount owed by the Project Company under the PAB Facility as set out in the Pro Forma Completion Statement; plus
 - (iii) RMB320,263,685.85, being 31% of the amount of the Project Company Adjusted NAV as set out in the Pro Forma Completion Statement; minus
 - (iv) RMB179,710,145.00, being the absolute value of the amount of the Other Group Adjusted NAV as set out in the Pro Forma Completion Statement;

Pursuant to the Offshore Share Purchase Deed, the Initial Offshore Consideration has been paid in cash.

- (b) the Initial Onshore Consideration of RMB989,790,205.70, being the balance of the following:
 - (i) RMB903,540,000.00, being 37% of the Agreed Property Value; minus
 - (ii) RMB296,000,000.00, being 37% of the outstanding amount owed by the Project Company under the PAB Facility as set out in the Pro Forma Completion Statement; plus
 - (iii) RMB382,250,205.70, being 37% of the amount of the Project Company Adjusted NAV as set out in the Pro Forma Completion Statement.

Pursuant to the Onshore Share Purchase Agreement, the Initial Onshore Consideration has been settled by the assumption of the Novated Payables in the amount of RMB890.00 million and the payment of the balance of the Initial Onshore Consideration less the Novated Payables shall be deferred and made by the Onshore Purchaser (being the Purchaser Deferred Payment) without any interest when the Onshore True-Up Payment becomes due and payable.

DRAWDOWN UNDER THE UPSIZED EXISTING FACILITY

At Completion, an amount equivalent to approximately RMB797.06 million was drawn down under the Upsized Existing Facility to finance the cash portion of the Completion Payment, the Tax Holdback Amount and the Total Fees and Charges. There are no material changes to the terms of the Upsized Existing Facility as disclosed in the Circular.

ENTRY INTO THE JOINT VENTURE AGREEMENT

Spring REIT (through the PRC Intermediary Company and the Onshore Purchaser) and the JV Partner have entered into the Joint Venture Agreement. The principal terms of the Joint Venture Agreement are summarised in section 2.6 headed “Joint Venture Agreement” in the Circular.

ENTRY INTO OTHER AGREEMENTS

The Project Company has entered into (i) the Property Management Agreement and the PM Office Lease with the Property Manager; (ii) the Building Management Agreement with the Building Manager; and (iii) the Direct Operation Leasing Framework Agreement with the Direct Operation Lessee. The principal terms of the agreements are set out in sections 5.6 headed “Management of the Target Property” and 5.4.3 headed “Direct Operation Agreements and Direct Operation Leasing Framework Agreement” in the Circular.

GENERAL

Further announcement(s) in relation to the Acquisition will be made by the Manager in accordance with all applicable requirements of the REIT Code as and when appropriate, including as soon as practicable following the determination and payment of the Purchaser Deferred Payment and the True-up Payments.

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

Hong Kong, 28 September 2022

As at the date of this announcement, the directors of the Manager are Toshihiro Toyoshima (Chairman and non-executive director); Leung Kwok Hoe, Kevin (Chief Executive Officer and executive director) and Chung Wai Fai, Michael (executive director); Hideya Ishino (non-executive director); and Simon Murray, Lam Yiu Kin and Liping Qiu (independent non-executive directors).