



## Spring REIT Announces Unit Buy-back

**Hong Kong, 25 May 2023** – **Spring Asset Management Limited** (the "**Manager**"), manager of Spring Real Estate Investment Trust ("**Spring REIT**", stock code: 1426), today announced that it intends to repurchase approximately 4.23% of Spring REIT's total number of issued units as at the Latest Practicable Date (the "**Unit Buy-back**") beneficially owned by BT Cayman Ltd. (the "**Buy-back Units**"). The Unit Buy-back constitutes an off-market transaction and offers an opportunity to buy back the units of Spring REIT at a price of HK\$2.3810 per unit, which is accretive to the distribution per unit ("**DPU**") and net asset value ("**NAV**") per unit of Spring REIT. The total consideration for the Unit Buy-back is approximately HK\$150.6 million.

Spring REIT has been conducting on-market unit buy-back since August 2020 as part of its ongoing capital management strategy. In this regard, the Unit Buy-back represents an opportunity for Spring REIT to buy back a large block of units at a known fixed price which would otherwise require a pro-longed period to execute and with uncertainty on the buy-back prices. The Manager believes this Unit Buy-back is in the interest of all unitholders of Spring REIT (the "**Unitholders**") and it presents an opportunity to enhance returns to Unitholders. The consideration for the Unit Buy-back will be financed by cash drawdown under an existing debt facility.

Upon completion of the Unit Buy-back, the Buy-back Units will be transferred to the Manager (acting in its capacity as manager for and on behalf of Spring REIT) and cancelled. The percentage interest of all other Unitholders in the issued units will therefore be proportionally increased upon cancellation of the Buy-back Units.

**Mr. Leung Kwok Hoe, Kevin, CEO and Executive Director of Spring Asset Management Limited** said, "This Unit Buy-back will be yield accretive for Unitholders, increasing DPU by 2.8%<sup>Note 1</sup> and NAV per unit by 2.2%<sup>Note 2</sup>. We believe it is an efficient use of capital and clearly demonstrates our confidence in Spring REIT's strategy, the strength of our assets, and their long-term growth potential. This transaction reaffirms and builds upon our long-standing efforts to optimize the capital structure and improve financial performance, epitomizing our strong commitment to delivering sustainable, long-term returns for Unitholders."

The Unit Buy-back is subject to certain conditions including the approval from independent Unitholders at the extraordinary general meeting ("**EGM**"), which will be held at 4:00 p.m. on 23 June 2023 at Room 2401-2, One Admiralty Centre, 18 Harcourt Road, Hong Kong. BT Cayman Ltd., its associates and the parties acting in concert with it, including Spirit Cayman Ltd, will abstain from voting on the resolution to be proposed at the EGM.

For more details about the transaction, please refer to the circular via the below link:

<http://www.springreit.com/en-us/announcements/index>

### Notes

1. Assuming the Unit Buy-back had taken place on 1 January 2022 and the Buy-back Units were cancelled subsequently, it is estimated that the Unit Buy-back would have resulted in an increase in DPU by approximately 2.8% from HK\$0.212 per unit to approximately HK\$0.218 per unit based on the audited consolidated income statement of Spring REIT and its subsidiaries (the "**Group**") for the year ended 31 December 2022. The increase in

DPU by approximately 2.8% has taken into account the incremental interest cost regarding the drawdown of the existing debt facility and the decrease in the total number of units in issue.

2. Assuming the Unit Buy-back had taken place on 31 December 2022 and the Buy-back Units were cancelled subsequently, it is estimated that the Unit Buy-back would have resulted in an increase in NAV per unit attributable to the Unitholders by approximately 2.2% from approximately HK\$4.95 per unit to approximately HK\$5.06 per unit based on the audited consolidated statement of financial position of the Group as at 31 December 2022.

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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. 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 31 December 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 Development Bank of Japan, Itochu Corporation and Sumitomo Mitsui Trust Bank, Limited.

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