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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Spring REIT.

SpringREIT

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

VOLUNTARY CONDITIONAL CASH OFFER

This announcement is made pursuant to 10.3 of the REIT Code and Rules 3.2 and 3.8 of the Takeovers Code.

The Board received a letter dated 26 September 2018 from the Offeror notifying the Board that UBS AG Hong Kong Branch, on behalf of the Offeror, firmly intends to make a voluntary conditional cash offer in compliance with the Takeovers Code for the Offer Units.

On 26 September 2018 and 28 September 2018, the Offeror published the Offer Announcement and the Offer Document respectively, setting out details of the Offer. As disclosed in the Offer Announcement and the Offer Document, the cash offer price payable by the Offeror for each Offer Unit accepted under the Offer is HK\$4.85 on the terms and subject to the conditions set out in the Offer Document and the Form of Acceptance.

Based on the Offer Document, as at 27 September 2018, the Offeror and parties acting in concert with it held 188,031,400 Units, representing approximately 14.818% of the issued Units.

UNITHOLDERS ARE STRONGLY ADVISED TO TAKE NO ACTION AS REGARDS THE OFFER UNTIL THEY HAVE RECEIVED THE RESPONSE DOCUMENT SETTING OUT THE VIEWS AND RECOMMENDATIONS OF THE BOARD, THE INDEPENDENT BOARD COMMITTEE AND THE IFA IN RELATION TO THE OFFER.

The Offer is subject to satisfaction (or waiver, if applicable) of the Conditions and accordingly the Offer may or may not become unconditional. Unitholders and potential investors of Spring REIT should exercise caution when dealing in the securities of Spring REIT.

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THE OFFER

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Based on the Offer Announcement and the Offer Document, the Offer is subject to the following conditions (the “**Conditions**”): (i) the Offeror having received valid acceptances (and, where permitted, such acceptances not having been withdrawn) at or before 4:00 p.m. on the Closing Date (as defined in the Offer Announcement) (or such other time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of the Offer which will result in the Offeror and persons acting in concert with it holding more than 50% of the Units; and (ii) the resolution(s) approving the Acquisition are not passed by the independent Unitholders at the EGM. Condition (i) is not waivable, and the Offeror reserves its right to waive Condition (ii). For further details of the Acquisition, please refer to the announcements dated 19 September 2018 and 26 September 2018 and the unitholder circular dated 26 September 2018 published by Spring REIT.

Based on the Offer Document, as at 27 September 2018, the Offeror and parties acting in concert with it held 188,031,400 Units, representing approximately 14.818% of the issued Units.

FORMATION OF INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Simon Murray, Mr. Lam Yiu Kin and Mr. Qiu Liping, has been formed to advise the Unitholders in relation to the Offer. As each of Mr. Toshihiro Toyoshima and Mr. Hideya Ishino is a director and a shareholder of Mercuria Investment Co., Limited, which in turn owns 90.2% of the shares in the Manager, Mr. Toshihiro Toyoshima and Mr. Hideya Ishino will not be part of the Independent Board Committee.

In addition, an independent financial adviser (the “**IFA**”) will be appointed to advise the Independent Board Committee, the Unitholders and DB Trustees (Hong Kong) Limited, in its capacity as trustee of Spring REIT, in relation to the Offer. A further announcement will be made by Spring REIT following the appointment of the IFA.

The Manager's key objective for Spring REIT is to provide Unitholders with stable distributions and the potential for sustainable long-term growth in the distributions and enhancement in the value of the real estate assets. The Board is proud of Spring REIT's achievements to date and the performance of the Manager. We have always welcomed and actively engaged in discussions with all our investors. Regrettably, this is an unexpected and unsolicited offer, which was not discussed with the Manager prior to announcement. The Board, the Independent Board Committee and the IFA will opine on the Offer through the Response Document to be despatched by Spring REIT in accordance with the Takeovers Code. Pursuant to the Takeovers Code, the latest date for posting of the Response Document is Monday, 15 October 2018, unless the Executive consents to a later date and the Offeror agrees to extend the closing date by the number of days in respect of which the delay in the posting of the Response Document is agreed.

UNITHOLDERS ARE STRONGLY ADVISED TO TAKE NO ACTION AS REGARDS THE OFFER UNTIL THEY HAVE RECEIVED THE RESPONSE DOCUMENT SETTING OUT THE VIEWS AND RECOMMENDATIONS OF THE BOARD, THE INDEPENDENT BOARD COMMITTEE AND THE IFA IN RELATION TO THE OFFER.

SECURITIES OF SPRING REIT

As at the date of this announcement, Spring REIT has a total of 1,268,972,532 issued Units. Spring REIT has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

All associates (as such term is defined under the Takeovers Code and including a person who owns or controls 5% or more of any class of relevant securities) of Spring REIT are reminded to disclose their dealings in the relevant securities of Spring REIT under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

The Offer is subject to satisfaction (or waiver, if applicable) of the Conditions and accordingly the Offer may or may not become unconditional. Unitholders and potential investors of Spring REIT should exercise caution when dealing in the securities of Spring REIT.

DEFINITIONS

In this announcement, the following definitions apply throughout unless otherwise stated.

“Acquisition”	the proposed acquisition by Spring REIT of all of the issued shares of a company which will on completion of such acquisition be the indirect owner of the property known as Huamao Place (華貿天地) located at No. 9, First Wenchang Road, Huicheng District, Huizhou, Guangdong Province, the People’s Republic of China
“acting in concert”	has the same meaning ascribed to it in the Takeovers Code
“Board”	the board of Directors
“Conditions”	has the same meaning ascribed to it in the section headed “The Offer” in this announcement
“Directors”	the directors of the Manager
“EGM”	the extraordinary general meeting of Unitholders convened by and referred to in the notice of extraordinary general meeting dated 26 September 2018
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IFA”	has the same meaning ascribed to it in the section headed “Formation of Independent Board Committee” in this announcement
“Manager”	Spring Asset Management Limited (in its capacity as the manager of Spring REIT), a company incorporated under the laws of Hong Kong
“Offer”	the voluntary conditional cash offer by UBS AG Hong Kong Branch on behalf of the Offeror to acquire the Offer Units

“Offer Announcement”	the announcement dated 26 September 2018 made by the Offeror in relation to the Offer
“Offer Document”	the offer document dated 29 September 2018 issued by the Offeror in relation to the Offer
“Offer Units”	all the issued Units (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it)
“Offeror”	RE Strategic Investments Pte. Ltd., a company incorporated under the laws of Singapore
“REIT Code”	the Code on Real Estate Investment Trusts published by the SFC
“Response Document”	the board circular to be issued by Spring REIT in relation to the Offer in accordance with the Takeovers Code
“SFC”	the Securities and Futures Commission of Hong Kong
“Spring REIT”	Spring Real Estate Investment Trust (春泉產業信託), a Hong Kong collective investment scheme constituted as a unit trust and authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Unit”	one undivided unit in Spring REIT
“Unitholder”	any person registered as holding a Unit on the register of Unitholders of Spring REIT

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, 2 October 2018

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (save for the information relating to the Offer) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (save for the opinions expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading. The Directors only take responsibility for the correctness and fairness of the reproduction or presentation of the information relating to the terms of the Offer which is extracted from the Offer Announcement and/or the Offer Document.