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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**

UPDATE ANNOUNCEMENT ON

- (1) MAJOR ACQUISITION RELATING TO THE PURCHASE OF A COMMERCIAL PROPERTY IN HUIZHOU, PRC AND ISSUANCE OF CONSIDERATION UNITS;**
- (2) VOLUNTARY CONDITIONAL CASH OFFER BY UBS AG HONG KONG BRANCH ON BEHALF OF RE STRATEGIC INVESTMENTS PTE. LTD.; AND**
- (3) EXTRAORDINARY GENERAL MEETING AND CLOSURE OF REGISTER OF UNITHOLDERS**

The Manager proposes to postpone the EGM to 4:00 pm on **Thursday, 29 November 2018**, being the business day after the latest date the Offeror can declare the Offer unconditional as to acceptances. By moving the EGM to such date, Unitholders will know whether the Acceptance Condition has been satisfied prior to the EGM, even if the Offer is further extended by the Offeror beyond the Second Closing Date.

- **If the Acceptance Condition has not been satisfied on or before 4:00 p.m. on the Latest Acceptance Condition Date:** the Acceptance Condition (which cannot be waived) will not have been satisfied and the Offer will lapse. With the Offer no longer being relevant to the EGM, independent Unitholders **may consider the Huizhou Transaction based on its own merits and do not need to vote against the Huizhou Transaction if they wish to accept the Offer.**

- **If the Acceptance Condition has been satisfied on or before 4:00 p.m. on the Latest Acceptance Condition Date:** the Offeror may waive the EGM Condition, such that the Offeror and its concert parties become entitled to voting rights in respect of over 50% of the issued Units before the EGM record date. If the Closing Date for the Offer is further extended beyond the Second Closing Date and the Acceptance Condition is satisfied on or before 4:00 p.m. on the Latest Acceptance Condition Date, the EGM will be adjourned to a date at least 15 calendar days after the new Closing Date or the Latest Acceptance Condition Date (whichever is earlier). In such situations, the Offeror and its concert parties should have the requisite majority to vote down the resolutions for approving the Huizhou Transaction at the EGM. A further announcement will be published by Spring REIT before 29 November 2018 if the EGM will be adjourned.

As stated in the EGM Postponement Announcement, the postponement of the EGM will also provide sufficient time for Unitholders to consider the additional information disclosed in the Supplemental Circular, which will contain the opinions of the independent financial adviser (Somerley Capital Limited) and the independent board committee to additionally cover the Huizhou Transaction. The Supplemental Circular is expected to be despatched on or before 7 November 2018.

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

The Revised Offer is subject to the satisfaction (or waiver, if applicable) of the Conditions and accordingly the Revised 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. Independent Unitholders are advised to carefully read the Revised Offer Document and the Response Document to Revised Offer, including the letter from the Independent Board Committee and the letter from the Independent Financial Adviser, before taking any action in respect of the Revised Offer.

Reference is made to: (i) the unitholder circular dated 26 September 2018 (“**Acquisition Circular**”), the response document dated 15 October 2018 (“**Response Document**”) and announcements dated 19 and 26 September 2018 and 2, 3, 8, 14 and 16 October 2018 published by Spring REIT regarding the Huizhou Transaction and the Offer; (ii) the offer document dated 29 September 2018 (“**Offer Document**”) and announcements dated 26 and 29 September 2018 and 4, 8, 11, 15 and 18 October 2018 published by the Offeror regarding the Offer; (iii) the announcement dated 18 October 2018 published by Spring REIT regarding the postponement of the EGM and reasons therefor (“**EGM Postponement Announcement**”); and (iv) the announcement dated 29 October 2018 published by the Offeror (“**First Closing Date Announcement**”) regarding the revision and extension of the Offer to 14 November 2018 (“**Second Closing Date**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the First Closing Date Announcement.

A. POSTPONEMENT OF EGM

The Manager notes from the First Closing Date Announcement that the Offeror has urged Unitholders who wish to accept the Offer to vote against the Huizhou Transaction at the EGM, presumably, because one of the two conditions to the Offer is the resolution(s) approving the Huizhou Transaction not being passed by the independent Unitholders at the EGM. However, the Manager considers the Huizhou Transaction and the Offer to be two separate proposals to Unitholders that, by postponing the EGM to the date specified below, can be considered more independently from one another.

The Manager proposes to postpone the EGM to 4:00 p.m. on **Thursday, 29 November 2018**, being the business day after the latest date the Offeror can declare the Offer unconditional as to acceptances (the “**Latest Acceptance Condition Date**”). By moving the EGM to such date, Unitholders will know whether the Acceptance Condition (as defined below) has been satisfied prior to the EGM, even if the Offer is further extended by the Offeror beyond the Second Closing Date.

- **If the Acceptance Condition has not been satisfied on or before 4:00 p.m. on the Latest Acceptance Condition Date:** the Acceptance Condition (which cannot be waived) will not have been satisfied and the Offer will lapse. With the Offer no longer being relevant to the EGM, independent Unitholders **may consider the Huizhou Transaction based on its own merits and do not need to vote against the Huizhou Transaction if they wish to accept the Offer.**

- **If the Acceptance Condition has been satisfied on or before 4:00 p.m. on the Latest Acceptance Condition Date:** the Offeror may waive the EGM Condition, such that the Offeror and its concert parties become entitled to voting rights in respect of over 50% of the issued Units before the EGM record date (see section B of this announcement for the Offeror's stated intention in this regard). If the Closing Date for the Offer is further extended beyond the Second Closing Date and the Acceptance Condition is satisfied on or before 4:00 p.m. on the Latest Acceptance Condition Date, the EGM will be adjourned to a date at least 15 calendar days after the new Closing Date or the Latest Acceptance Condition Date (whichever is earlier). In such situations, the Offeror and its concert parties should have the requisite majority to vote down the resolutions for approving the Huizhou Transaction at the EGM. A further announcement will be published by Spring REIT before 29 November 2018 if the EGM will be adjourned.

As stated in the EGM Postponement Announcement, the postponement of the EGM will also provide sufficient time for Unitholders to consider the additional information disclosed in the supplemental circular regarding the Huizhou Transaction (the “**Supplemental Circular**”), which will, for the reasons stated in the EGM Postponement Announcement relating to the relationship between Deutsche Bank AG and the Seller, be conservatively treated as if it was a connected party transaction through the Trustee. The Supplemental Circular will, among other things, contain the opinions of the independent financial adviser (Somerville Capital Limited) and the independent board committee to additionally cover the Huizhou Transaction. The Supplemental Circular is expected to be despatched on or before 7 November 2018.

A timetable for the Huizhou Transaction including the new date of the EGM being **Thursday, 29 November 2018** (assuming it will not be adjourned) is set out below, together with the Revised Offer dates as set out in the First Closing Date Announcement.

Date/Time	Huizhou Transaction	Revised Offer ^(Note 1)
19 September 2018	Announcement of Huizhou Transaction	
26 September 2018	Date of circular for Huizhou Transaction and notice convening EGM	Announcement of the Offer by the Offeror
29 September 2018 (“ Despatch Date ”)		Despatch date of the Offer Document by the Offeror and commencement date of the Offer

Date/Time	Huizhou Transaction	Revised Offer ^(Note 1)
15 October 2018		Posting of the Response Document by Spring REIT relating to the Offer
29 October 2018 (“ First Closing Date ”)		Announcement of the Revised Offer by the Offeror
31 October 2018		Expected despatch date for the Revised Offer Document by the Offeror
On or before 7 November 2018	Expected despatch date for the Supplemental Circular	
On or before 9 November 2018		Expected despatch date for the Response Document to Revised Offer
14 November 2018 by 4:00 pm (“ Second Closing Date ”)		Latest time and date for acceptance of the Offer on the Second Closing Date
14 November 2018 by 7:00 pm		Announcement of the results of the Offer and the level of acceptance at the Second Closing Date on the website of the Stock Exchange
23 November 2018 at 4:30 pm	Latest time and date for lodging transfers of Units to participate and vote at the EGM	
26 November 2018 to 29 November 2018	Book closure period (both days inclusive) to determine the eligibility of Unitholders to participate and vote in the EGM	
27 November 2018 at 4:00 pm	Latest date and time for lodging proxy forms for the EGM	
28 November 2018 by 7:00 pm (“ Latest Acceptance Condition Date ”)		Latest time and date by which the Offer can become or be declared unconditional as to acceptances
29 November 2018	EGM record date	
29 November 2018 at 4:00 pm	Date and time of the EGM ^(Note 2)	

Notes:

- (1) Revised Offer dates based on timetable indicated in the First Closing Date Announcement. For further details regarding the Revised Offer timetable, please refer to the Revised Offer Document which is expected to be despatched by the Offeror to Qualifying Unitholders on 31 October 2018.
- (2) If the Closing Date for the Offer is further extended beyond the Second Closing Date and the Acceptance Condition is satisfied on or before 4:00 p.m. on the Latest Acceptance Condition Date, the EGM will be adjourned to a date at least 15 calendar days after the new Closing Date or the Latest Acceptance Condition Date (whichever is earlier). A further announcement will be published by Spring REIT before 29 November 2018 if the EGM will be adjourned.

B. CONDITIONS TO THE OFFER

As stated in the First Closing Date Announcement, the Offer is subject to the following 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 (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 (“**Acceptance Condition**”); and
- (ii) the resolutions approving the Huizhou Transaction are not passed by the independent Unitholders at the EGM (“**EGM Condition**”).

The Acceptance Condition is not waivable. The Offeror does not intend to waive the EGM Condition, unless sufficient Unitholders accept the Offer and the Offer become unconditional as to acceptance by a certain date as a result of which the Offeror can effect transfers of Units and become entitled to the voting rights in respect of over 50% of the Units by the record date for the EGM. If the Conditions are not satisfied (or waived, if applicable) on or before the Closing Date, the Offer will lapse unless the Offer Period is extended by the Offeror (with the consent of the Executive).

C. RESPONSE DOCUMENT TO REVISED OFFER

The board of the Manager, the independent board committee of the Manager (“**Independent Board Committee**”) and Trinity Corporate Finance as the independent financial adviser appointed to advise the Independent Board Committee, the independent Unitholders and the Trustee in respect of the Offer (“**Independent Financial Adviser**”) will opine on the Revised Offer through a response document (“**Response Document to Revised Offer**”), which is expected to be despatched by Spring REIT in accordance with the Takeovers Code on or before 9 November 2018.

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

The Revised Offer is subject to the satisfaction (or waiver, if applicable) of the Conditions and accordingly the Revised 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. Independent Unitholders are advised to carefully read the Revised Offer Document and the Response Document to Revised Offer, including the letter from the Independent Board Committee and the letter from the Independent Financial Adviser, before taking any action in respect of the Revised Offer.

Completion of the Huizhou Transaction is subject to and conditional upon the satisfaction of certain conditions, which includes independent Unitholders’ approval being obtained at the EGM for the Huizhou Transaction. Accordingly, the Huizhou Transaction may or may not complete. Unitholders, as well as any prospective investors of Spring REIT, are therefore advised to carefully read the Acquisition Circular, Supplemental Circular (once published) and Spring REIT Announcements for further information regarding the Huizhou Transaction, and exercise caution when dealing in the Units.

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, 30 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, Qiu Liping and Lam Yiu Kin (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 or the Revised 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 Offer or the Revised Offer which is extracted from the Offer Document and the announcements published by the Offeror regarding the Offer or the Revised Offer.