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**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**

**UPDATE ANNOUNCEMENT ON**

**TERMINATION OF MAJOR ACQUISITION RELATING TO  
THE PURCHASE OF A COMMERCIAL PROPERTY IN  
HUIZHOU, PRC AND ISSUANCE OF CONSIDERATION UNITS**

Under the Share Purchase Deed and having regard to the short-term extension granted by the Seller as announced in the last Delay of Despatch Announcement dated 11 December 2018, if the Unitholders' Approval Condition is not fulfilled by 31 January 2019, the parties to the Share Purchase Deed will not be bound to proceed with the Acquisition.

As additional time is required by the Manager to ascertain certain information in the Supplemental Circular, including clarifying the potential implications of issuing the Consideration Units, the Supplemental Circular will not be despatched on or before 31 December 2018. As the publication of the Supplemental Circular after 31 December 2018 will necessitate certain financial information therein to be updated under the REIT Code, the further delay of the Supplemental Circular will likely result in the Unitholders' Approval Condition not being satisfied by 31 January 2019. Following discussions, the parties have not been able to agree on a further extension for the satisfaction of the Unitholders' Approval Condition beyond 31 January 2019.

**The Manager therefore regrettably announces that the parties to the Share Purchase Deed shall not be bound to proceed with the Acquisition and that the Share Purchase Deed shall cease to be of any effect from 31 December 2018 pursuant to its terms as the Unitholders' Approval Condition will not be satisfied by the required date.** The Manager will therefore no longer proceed with the EGM or publication of the Supplemental Circular in connection with the same. Such termination due to the failure to satisfy the Unitholders' Approval Condition by the required date, or publish the Supplemental Circular or hold the EGM in connection with the same, is not expected by the Manager to result in any adverse penalty or consequence or any further liability for Spring REIT under the Share Purchase Deed.

Reference is made to: (i) the unitholder circular dated 26 September 2018 (“**Acquisition Circular**”); (ii) the announcements dated 19 and 26 September 2018 and 8 and 18 October 2018 published by Spring REIT regarding, among other things, the Acquisition; (iii) the announcement dated 30 October 2018 (“**EGM Postponement Announcement**”) published by Spring REIT regarding, among other things, the postponement of the EGM to 29 November 2018 and the expected despatch of the supplemental circular to the Acquisition Circular (“**Supplemental Circular**”) on 7 November 2018; and (iv) the announcements dated 7, 14 and 28 November 2018 and 11 December 2018 published by Spring REIT regarding the delay in despatch of the Supplemental Circular (“**Delay of Despatch Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Acquisition Circular and the last Delay of Despatch Announcement dated 11 December 2018 published by Spring REIT.

As stated in the last Delay of Despatch Announcement dated 11 December 2018, the SFC had granted an extension to the latest time for despatch of the Supplemental Circular to no later than 31 December 2018. Publication of the Supplemental Circular by such time would have allowed Spring REIT to convene an EGM by 31 January 2019 for the purpose of satisfying the Unitholders' Approval Condition. Under the Share Purchase Deed and having regard to the short-term extension granted by the Seller as announced in the last Delay of Despatch Announcement, if the Unitholders' Approval Condition is not fulfilled by 31 January 2019, the parties to the Share Purchase Deed will not be bound to proceed with the Acquisition.

As additional time is required by the Manager to ascertain certain information in the Supplemental Circular, including clarifying the potential implications of issuing the Consideration Units, the Supplemental Circular will not be despatched on or before 31 December 2018. For the avoidance of doubt, such delay is not attributable to the views of the Independent Financial Advisor (being Somerley Capital Limited) or the Independent Board

Committee in connection with the Acquisition. As the publication of the Supplemental Circular after 31 December 2018 will necessitate certain financial information therein to be updated under the REIT Code, the further delay of the Supplemental Circular will likely result in the Unitholders' Approval Condition not being satisfied by 31 January 2019.

As stated in the last Delay of Despatch Announcement, if the Supplemental Circular cannot be despatched by 31 December 2018, the Manager shall seek a further extension from the Seller for satisfying the Unitholders' Approval Condition, and if the Seller does not agree to the further extension, the Manager shall announce the termination of the Share Purchase Deed pursuant to its terms. Following discussions, the parties have not been able to agree on a further extension for the satisfaction of the Unitholders' Approval Condition beyond 31 January 2019.

**The Manager therefore regrettably announces that the parties to the Share Purchase Deed shall not be bound to proceed with the Acquisition and that the Share Purchase Deed shall cease to be of any effect from 31 December 2018 pursuant to its terms as the Unitholders' Approval Condition will not be satisfied by the required date.** The Manager will therefore no longer proceed with the EGM or publication of the Supplemental Circular in connection with the same. Such termination due to the failure to satisfy the Unitholders' Approval Condition by the required date, or publish the Supplemental Circular or hold the EGM in connection with the same, is not expected by the Manager to result in any adverse penalty or consequence or any further liability for Spring REIT under the Share Purchase Deed.

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, 31 December 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).*