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RE STRATEGIC INVESTMENTS PTE. LTD.

(incorporated in Singapore with limited liability)

VOLUNTARY CONDITIONAL CASH OFFER BY UBS AG HONG KONG BRANCH ON BEHALF OF RE STRATEGIC INVESTMENTS PTE. LTD. TO ACQUIRE ALL OF THE ISSUED UNITS OF SPRING REAL ESTATE INVESTMENT TRUST (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY RE STRATEGIC INVESTMENTS PTE. LTD. AND PARTIES ACTING IN CONCERT WITH IT)

OFFEROR'S RESPONSE TO THE RESPONSE DOCUMENT ISSUED BY SPRING REIT

Reference is made to (i) the offer document issued by RE Strategic Investments Pte. Ltd. (the “**Offeror**”) dated 29 September 2018 (the “**Offer Document**”); (ii) the clarification announcement issued by the Offeror dated 4 October 2018 (the “**Clarification Announcement**”); and (iii) the response document issued by Spring REIT dated 15 October 2018 (the “**Response Document**”) containing, among other things, the letter issued by Spring REIT’s independent financial adviser (the “**IFA**”) and the recommendation from the board of directors of the Manager not to accept the Offer. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Offer Document.

The Offeror would like to provide its views on the Response Document by way of this announcement.

The Offeror is of the view the arguments put forward by Spring REIT's IFA to reject the Offer are questionable. Spring REIT has never traded at or near NAV. From the time of its IPO in 2013 up to the Last Trading Day, Spring REIT's unit price has underperformed the Hang Seng REIT Index by 41.6% and the Hang Seng Index by 32.1%. During this period, Spring REIT's unit price decreased by approximately 21.3%, and Spring REIT has underperformed all Hong Kong listed REITs between its IPO and the Last Trading Day (based on the comparison of Spring REIT's IPO price of HK\$3.81 and the opening prices of other Hong Kong listed REITs on the date of the IPO of Spring REIT). In addition, the Manager is currently proposing an acquisition (i.e. the Huizhou Transaction) that would dilute Spring REIT's NAV. Although the Manager and the IFA have emphasized that the Offer Price is at a discount to NAV, the Manager's acquisition strategy has not demonstrated that it would deliver value anywhere close to NAV for Unitholders.

The Offeror is also of the view that the Offer with the Offer premium of approximately 61.7% to the closing price of the Units on the Last Trading Day would also provide Unitholders with the equivalent of approximately eight years of cumulative distributions upfront (based on annualized average distributions), independent of the uncertain future performance of Spring REIT.

The Huizhou Transaction that the Manager is trying to push through would, however, reduce Spring REIT's NAV per Unit by 8.1% to HK\$5.56 from the NAV per Unit of HK\$6.05 as at 30 June 2018, and further dilute all Unitholders' interests by issuing new Units (being 22.0% of total issued Units as at the date of this announcement) to a seller whose holding company holds 9.8% of the Manager, at an issue price of only HK\$3.372 per Unit.

The Offer is subject to two Conditions: (1) the Offeror having received valid acceptances (and, where permitted, such acceptances not having been withdrawn) at or before 4:00 pm 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; and (2) the resolution(s) approving the Huizhou Transaction are not passed by the independent Unitholders at the EGM.

As disclosed in the Clarification Announcement, the Offeror will not proceed with the Offer if the Huizhou Transaction is approved by the independent Unitholders at the EGM.

All Unitholders who wish to accept the Offer should therefore attend and vote against the Huizhou Transaction at the EGM on 29 October 2018 or instruct their proxies to do so.

WARNING: Qualifying Unitholders and/or potential investors of Spring REIT should note that the Offer is subject to the satisfaction (or waiver, if applicable) of the Conditions. Accordingly, the Offer may or may not become unconditional. Qualifying Unitholders and/or potential investors of Spring REIT should therefore exercise caution when dealing in the securities of Spring REIT. Qualifying Unitholders and/or potential investors of Spring REIT who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers. Unitholders are advised to read the Offer Document and the Response Document carefully before taking any action in respect of the Offer.

By order of the board of
RE STRATEGIC INVESTMENTS PTE. LTD.
Mochizuki Yuki
Director

Hong Kong, 15 October 2018

As at the date of this announcement, the sole director of the Offeror is Mr. Mochizuki Yuki.

As at the date of this announcement, the board of directors of RES Investments GP (the general partner of the limited partnership which wholly-owns the Offeror) comprises Mr. Jon-Paul Toppino and Mr. John Jack Scales Keese.

The directors of the Offeror and RES Investments GP jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement 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 information relating to the Spring REIT Group in this announcement has been extracted from or based on the published information of Spring REIT, including its annual report for the year ended 31 December 2017, its monthly return for the month ended 30 September 2018 and the Response Document. The only responsibility accepted by the directors of the Offeror and RES Investments GP in respect of such information is for the correctness and fairness of its reproduction or presentation.