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## DISTRIBUTION POLICY

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Distributions to Unitholders will, subject to compliance with applicable legal and regulatory requirements, be declared and paid in Hong Kong dollars. The REIT Manager's policy is to distribute to Unitholders an amount of no less than 90% of Spring REIT's Annual Distributable Income for each financial year.

For these purposes, and under the terms of the Trust Deed, "**Annual Distributable Income**" for a financial year is the amount calculated by the REIT Manager (based on the audited financial statements of Spring REIT for that financial year) as representing the consolidated audited net profit after tax of Spring REIT and the Special Purpose Vehicles for that financial year, as adjusted for the Adjustments (as defined below), except that the Annual Distributable Income for 2013 will be calculated based on the consolidated audited net profit after tax of Spring REIT and the Special Purpose Vehicles for the period from the Listing Date to December 31, 2013. After eliminating the effects of these Adjustments, Annual Distributable Income may be different from the net profit recorded for the relevant financial year.

"**Adjustments**" means adjustments to certain items which are charged or credited to the consolidated profit and loss account for the relevant financial year or the relevant distribution period, as the case may be, including: (i) unrealized property revaluation gains/losses, including impairment provisions and reversals of impairment provisions; (ii) impairment loss of goodwill/recognition of negative goodwill; (iii) differences between cash and accounting finance costs; (iv) realized gains on the disposal of properties; (v) fair value changes on financial instruments; (vi) deferred tax charges/credits in respect of property valuation movements, commercial building allowances/capital allowances and other tax deductions claimed; (vii) the portion of the REIT Manager's fees that are paid in the form of Units; (viii) non-cash foreign exchange gains or losses; (ix) costs of any public offering of Units that are expensed through the income statement but are funded by proceeds from the issuance of such Units; (x) depreciation and amortization in respect of real estate directly or indirectly owned by Spring REIT; and (xi) other material non-cash gains /losses. Based on and in sole reliance upon the information and assurances provided by the REIT Manager, and having regard to the minimum distribution requirement expressed in paragraph 7.12 of the REIT Code, the Trustee's duties under REIT Code and the Trustee's fiduciary duties, the Trustee has no objection to the definition of "Adjustments" as described above.

The REIT Manager also has the discretion to direct the Trustee from time to time to make distributions over and above the minimum 90% of Annual Distributable Income if and to the extent Spring REIT, in the opinion of the REIT Manager, has funds surplus to its business requirements, provided that no amount of revaluation surplus on real estate credited to income, or gains on disposal of real estate, whether directly or indirectly through the disposal of any Special Purpose Vehicle, shall form part of any distribution to Unitholders unless the REIT Manager shall have obtained the Trustee's prior consent. The REIT Manager currently intends to distribute 100% of the Annual Distributable Income for the period from the Listing Date to December 31, 2013 and 100% of the Annual Distributable Income for the financial year ending December 31, 2014.

Under the Trust Deed, the REIT Manager will, subject to applicable law, endeavor to ensure that at least one distribution shall be made in respect of each financial year and paid no later than five months after the distribution calculation date for the relevant distribution period. Spring REIT's first distribution after the Listing Date will comprise (i) the distribution for the FY2013 Distribution Period, namely, from and including the Listing Date to December 31, 2013 and (ii) the interim distribution for the first six months of 2014, which will be paid together no later than November 30, 2014.

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Spring REIT's initial distribution policy is that two distributions will be made in respect of each year, being distributions with respect to the six-month period ending June 30 and December 31. The Directors anticipate that interim and final distributions will be paid by the end of November and May in each year, respectively.

The REIT Manager may also adopt such rules as it considers appropriate for the reinvestment by Unitholders of any distributions to be made by Spring REIT in return for new Units but no Unitholder shall be obliged to receive Units in lieu of a cash distribution. Under current Hong Kong tax law, distributions may be made free of withholdings or deductions on account of Hong Kong tax. It is understood that, under the Hong Kong Inland Revenue Department's current practice, Hong Kong profits tax will not be payable by a Unitholder on distributions made by Spring REIT. However, Unitholders should take advice from their own professional advisors as to their particular tax position.

Distributions to Unitholders will be declared and paid in Hong Kong dollars. Spring REIT's ability to make distributions is dependent on, among other things, the Trustee having available sufficient cash in Spring REIT to make the payments required. If the Trustee does not have sufficient cash to make payment of distributions, Spring REIT may be required to obtain financing to satisfy the payment of distributions to Unitholders. See the section headed "Risk Factors — Risks Relating to Spring REIT — Spring REIT will operate principally through its interest in RCA01 and relies on income earned from the Property to make distributions and there are various risks relating to RCA01's ability to make distributions. Spring REIT may not be able to make distributions to Unitholders in a timely manner or at all or the level of distributions may fall" in this Offering Circular.

The REIT Code requires the REIT Manager and the Trustee to ensure that each company used to hold real estate and other assets for Spring REIT for the time being shall distribute to Spring REIT all of such company's income for each financial year as permitted by the laws and regulations of its relevant jurisdiction of incorporation. In addition, the revenue received from the Property is denominated in RMB, which will have to be converted into Hong Kong dollars for distribution payments to the Unitholders. Conversion of RMB is subject to strict government regulation in the PRC. Under the existing foreign exchange regulations in the PRC, rental income received by RCA01 may be converted into foreign currency without the requirement for further approval from SAFE subject to compliance with certain procedural requirements and the payment of relevant PRC taxes by RCA01. As advised by the PRC Legal Advisor, there are no legal or other impediments for RCA01 to exchange RMB proceeds originating from the Property into foreign currencies and to remit them outside the PRC, provided that such remittance is made in accordance with the procedures set out under the relevant PRC laws. However, there is no assurance that the government policies regarding conversion of RMB into foreign currencies will continue in the future. See the section headed "Risk Factors — Risks Relating to the PRC — RMB is not a freely convertible currency and the PRC Government's control of foreign currency conversion may limit Spring REIT's foreign exchange transactions including distributions to Unitholders" in this Offering Circular.

Spring REIT may make distributions out of capital. The composition of distributions declared by Spring REIT (including, but not limited to, the extent to which the distribution declared or made is composed of, and the types of, income and capital) shall be determined by the REIT Manager in its absolute discretion and will be disclosed in the relevant results announcements, semi-annual reports and annual reports of Spring REIT.

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For information on the forecast distributions for the period from the Listing Date to December 31, 2013, see the section headed “Financial Information and Forecast — Statement of Distributions” in this Offering Circular.

RCA01 paid a distribution, by way of a dividend, of US\$15 million to RCA Fund on November 15, 2013. See the section headed “Financial Information and Forecasts — Management’s Discussion and Analysis of Financial Condition and Results of Operations — Recent Developments” in this Offering Circular for details.