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## **CORPORATE GOVERNANCE**

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With the objectives of establishing and maintaining high standards of corporate governance, certain policies and procedures have been put in place to promote the operation of Spring REIT in a transparent manner and with built-in checks and balances. The corporate governance policies of Spring REIT have been adopted having due regard to the requirements under Appendix 14 of the Listing Rules, with necessary changes as if those rules were applicable to REITs. Set out below is a summary of the key components of the corporate governance policies that have been adopted and will be followed by the REIT Manager and Spring REIT. Such policies may be amended by a simple majority vote of all of the Directors.

### **AUTHORIZATION STRUCTURE**

Spring REIT is a collective investment scheme authorized by the SFC under section 104 of the SFO and regulated by certain laws, regulations and documents including the provisions of the REIT Code. The SFC does not take any responsibility for the financial soundness of Spring REIT, or the correctness of any statements made or opinions expressed in this document and/or other documents relating to Spring REIT. SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. The REIT Manager has been authorized by the SFC under section 116 of the SFO to conduct the regulated activity of asset management. The REIT Manager has three persons who are approved as Responsible Officers pursuant to the requirements of section 125 of the SFO and paragraph 5.4 of the REIT Code, at least one of whom is an executive Director of the REIT Manager pursuant to the requirements of section 125 of the SFO. The Managing Director, Mr. Lau Jin Tin, Don, was approved by the SFC as an approved person of the REIT Manager pursuant to sections 104(2) and 105(2) of the SFO.

The Trustee is registered as a trust company under section 77 of the Trustee Ordinance. The Trustee is qualified to act as a trustee for collective investment schemes authorized under the SFO pursuant to the REIT Code.

### **ROLES OF THE TRUSTEE AND THE REIT MANAGER**

The Trustee and the REIT Manager are independent of each other. The Trustee, in its capacity as trustee of Spring REIT, is responsible under the Trust Deed for the safe custody of the assets of Spring REIT on behalf of Unitholders. The REIT Manager's role under the Trust Deed is to manage Spring REIT and its assets in accordance with the Trust Deed in the sole interest of the Unitholders and to fulfill the duties imposed on it under general law as the manager of Spring REIT in particular, to ensure that the financial and economic aspects of Spring REIT's assets are professionally managed in the sole interests of Unitholders.

### **FUNCTIONS OF THE BOARD OF DIRECTORS OF THE REIT MANAGER**

The Board comprises seven members, three of whom are independent non-executive Directors. The Board principally oversees the day-to-day management of the REIT Manager's affairs and the conduct of its business and is responsible for the overall governance of the REIT Manager. The Board exercises its general powers within the limits defined by its constitutional documents, with a view to ensuring that the management discharges its duties and is compensated appropriately, and that sound internal control policies and risk management systems are maintained. The Board will also review major

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financial decisions and the performance of the REIT Manager. In accordance with the REIT Code, the REIT Manager is required to act in the best interests of Unitholders, to whom it owes a fiduciary duty.

### BOARD COMPOSITION

With the aim of creating a board structure that is both effective and balanced, the size of the Board has been set to provide for a minimum of seven Directors and a maximum of nine Directors. Pursuant to the REIT Manager's corporate governance policy, independent non-executive Directors must be individuals who fulfill the independence criteria set out in the compliance manual adopted by the REIT Manager. Please refer to the section headed "The REIT Manager — Independence of independent non-executive Directors" of this Offering Circular.

The composition of the Board is determined using the following principles:

- the Chairman of the Board should be a non-executive Director;
- the Board should have a balance of skill and experience appropriate for the requirements of Spring REIT's business and should ensure that changes to its composition can be managed without undue disruption;
- the Board should have a balanced composition of executive, non-executive and independent non-executive Directors so that there is a strong independent element on the Board which can effectively exercise independent judgment;
- the Board should include non-executive Directors of sufficient caliber and number for their views to carry weight;
- at least one-third, and a minimum of three members, of the Board should be independent non-executive Directors and at least one independent non-executive Director must have appropriate professional qualifications or accounting or related financial management expertise; and
- the re-election and further appointment of any independent non-executive director serving on the Board for nine years shall be subject to a separate Unitholders' resolution.

The positions of Chairman and the managing Directors are held by separate persons in order to maintain an effective segregation of duties. The Chairman leads the Board discussions and deliberations and is responsible for setting the meeting agenda of Board meetings. He ensures that Board meetings are held when necessary. He promotes high standards of corporate governance and maintenance of effective communications with Unitholders. Each of the managing Directors are responsible for the day-to-day management of the REIT Manager and Spring REIT. Each of the managing Directors executes the strategic plans set out by the Board and ensures that the Directors are kept updated and informed of Spring REIT's business via management reports.

The Board composition will be reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience and that the Directors being appointed have the relevant expertise and experience in discharging their duties.

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### Board Committees

The Board has the power to delegate to committees consisting of such numbers of its body as it thinks fit. Various committees have been established to assist the Board in discharging its responsibilities. The committees of the Board have been set up with clear terms of reference to review specific issues or items and then to submit their findings and recommendations to the full Board for consideration and endorsement. Unless the decision making power has been vested in the relevant committee by the Board, the ultimate responsibility for making final decisions rests with the full Board and not the committees. The committees of the Board are currently as follows:

#### *Audit Committee*

The Audit Committee is appointed by the Board from among the non-executive Directors and at least one of them shall have appropriate professional qualification or accounting or related financial management expertise. A majority of the members of the Audit Committee are required to be independent non-executive Directors. As of the date of this Offering Circular, the members of the Audit Committee are Dr. Tin Sek Tang, Mr. Liping Qiu (each of whom are independent non-executive Directors) and Mr. Hideya Ishino (a non-executive Director). Dr. Tin Sek Tang has been appointed as the initial chairman of the Audit Committee. The Audit Committee is responsible for establishing and maintaining an adequate internal control structure, effective financial reporting and risk management systems and ensuring the quality and integrity of financial statements. The Audit Committee is also responsible for the nomination of independent external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance. The Audit Committee also ensures the existence and working of an effective system of internal control and risk management, in respect of both the REIT Manager and Spring REIT.

The Audit Committee's responsibilities also include:

- (a) reviewing dealings of the REIT Manager and the Directors on a half-yearly basis;
- (b) reviewing all financial statements and all external audit reports and developing and implementing a policy on the engagement of external auditors to supply non-audit services;
- (c) ensuring the internal audit function is adequately resourced and guiding the management to take appropriate actions to remedy any faults or deficiencies in internal controls which may be identified;
- (d) assisting the Board in its monitoring of the entity's overall risk management profile and setting guidelines and policies to govern risk assessment and risk management;
- (e) periodically reviewing and monitoring all connected party transactions and related party transactions; and
- (f) reviewing the REIT Manager and Spring REIT's compliance with legal and regulatory requirements on a regular basis.

#### *Disclosures Committee*

The Disclosures Committee is appointed by the Board from among the Directors. The Disclosures Committee consists of three Directors, one of whom is an independent non-

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executive Director. As of the date of this Offering Circular, the members of the Disclosures Committee are Mr. Lau Jin Tin, Don, Mr. Toshihiro Toyoshima and Dr. Tin Sek Tang. Mr. Lau Jin Tin, Don has been appointed as the initial Chairman of the Disclosures Committee. The role of the Disclosures Committee includes reviewing matters relating to the disclosure of information to Unitholders and public announcements. The Disclosures Committee also works with the management of the REIT Manager to ensure that the disclosure of information is accurate, complete and not misleading.

The Disclosures Committee's responsibilities include:

- (a) regularly reviewing and making recommendations to the Board on matters of corporate disclosure issues and announcements regarding (without limitation) financial reporting, connected party transactions, and potential areas of conflict of interests;
- (b) overseeing compliance with applicable legal requirements and the continuity, accuracy, clarity, completeness and currency of information disseminated by or on behalf of Spring REIT to the public and applicable regulatory agencies;
- (c) reviewing and approving all material non-public information and all public regulatory filings of or on behalf of Spring REIT prior to such information being disseminated to the public or filed with applicable regulatory agencies, as applicable;
- (d) reviewing periodic and current reports, proxy statements, information statements, registration statements and any other information filed with regulatory bodies;
- (e) reviewing press releases containing financial information, information about material acquisitions or dispositions or other information material to Unitholders;
- (f) reviewing correspondence containing financial information disseminated to Unitholders;
- (g) selecting, appointing, directing and terminating, where appropriate, outside experts (such as legal advisors or accountants) as the Disclosures Committee deems necessary in the performance of its duties; and
- (h) maintaining and updating the terms of reference as the Disclosures Committee deems appropriate.

### *Remuneration Committee*

The Remuneration Committee is appointed by the Board from among the Directors. A majority of the members of the Remuneration Committee are independent non-executive Directors and the chairman of the Remuneration Committee is an independent non-executive Director. As of the date of this Offering Circular, the members of the Remuneration Committee are Mr. Simon Murray, Dr. Tin Sek Tang (each of whom are independent non-executive Directors) and Mr. Toshihiro Toyoshima (a non-executive Director). Mr. Simon Murray has been appointed as the initial chairman of the Remuneration Committee. Among other matters, the Remuneration Committee is responsible for reviewing the terms and conditions of employment of all staff and Directors of the REIT Manager (other than the members of the Remuneration Committee, whose remuneration is determined by the Board) and recommending an appropriate manpower deployment plan (including the succession plan for the management of the REIT Manager and the Board), remuneration and retirement policies and packages. The Remuneration Committee also ensures that no Director is involved in deciding his own remuneration.

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### *Nomination Committee*

The Nomination Committee is appointed by the Board from among the Directors. The Nomination Committee shall at all times comprise a minimum of three directors. A majority of the members of the Nomination Committee are independent non-executive directors and the chairman of the Nomination Committee is required to be an independent non-executive Director or the Chairman of the Board. As of the date of this Offering Circular, the members of the Nomination Committee are Mr. Toshihiro Toyoshima (a non-executive Director), Mr. Simon Murray and Mr. Liping Qiu (each of whom are independent non-executive Directors). Mr. Toshihiro Toyoshima has been appointed as the chairman of the Nomination Committee. Among other matters, the Nomination Committee is responsible for reviewing the structure, size and composition (including skills, knowledge and expertise) of the Board and its committees on an ongoing basis and for nominating, and providing recommendations on, persons for appointment, re-appointment or removal as Directors.

### *Advisory Committee*

The Advisory Committee is appointed by the Board from among the Directors. As of the date of this Offering Circular, the members of the Advisory Committee are Mr. Lau Jin Tin, Don, Mr. Nobumasa Saeki, Mr. Toshihiro Toyoshima and Mr. Hideya Ishino. The role of the Advisory Committee includes generally reviewing the management services provided by the REIT Manager to Spring REIT, the financial performance of the REIT Manager, investor relations with respect to Spring REIT and potential acquisition opportunities, as well as supervising the performance of service providers to the REIT Manager and Spring REIT (including the performance of the Property Manager and the Building Manager). The Advisory Committee presents information to the Board from time to time as it considers necessary and ensures the smooth co-ordination between the various committees established by the Board. Where appropriate, the Advisory Committee can recommend to the Chairman that a Board meeting be convened to discuss any Spring REIT matter. Meetings of the Advisory Committee will be held monthly (or more frequently if required) to review Spring REIT management issues and to make recommendations to the Board.

### **Internal Auditor**

The internal audit function of the REIT Manager will be outsourced to BDO Financial Services Limited, an independent third party in accordance with the instructions of the REIT Manager. Under the proposed outsourcing arrangements, the Internal Auditor will generally be engaged to perform the internal audit function for a particular period of time; this period is estimated to be around four years. The REIT Manager will pay the Internal Auditor a fee (calculated on a project basis and paid out of the Deposited Property) for discharging such obligations.

The Audit Committee is satisfied that the internal auditor has met the standards set by internationally recognized professional bodies including the Standards for the Professional Practise of Internal Auditing set by the Institute of Internal Auditors. The Internal Auditor will report directly to the Audit Committee on audit matters, and to the Board on administrative matters. The Audit Committee will also review and approve the annual internal audit plan and will review the internal audit reports and activities.

The functions of internal audit include (i) reviewing the accuracy and completeness of records of all operations and transactions of Spring REIT and ensuring that the REIT Manager's internal control system functions properly; (ii) identifying contingency events and escalating them to the appropriate level within the REIT Manager; and (iii) reviewing and

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making recommendations to the Board or the Audit Committee (as the case may be) to ensure effective segregation of duties and operation functions of the REIT Manager and effectiveness and accuracy of the reporting of irregularities and infringements of the REIT Manager's operational and compliance procedures.

### CONFLICT OF INTEREST

For details on the conflicts of interest relating to Spring REIT, please refer to the section headed "Risk Factors — Risks Relating to Spring REIT — There are potential conflicts of interests between Spring REIT and AD Capital and the Property Manager" in this Offering Circular.

All conflicts of interest shall be managed by the Board in accordance with the Articles of Association of the REIT Manager and applicable laws, rules and regulations. The REIT Manager shall ensure that all conflicts of interest relating to Spring REIT shall be managed and avoided. The following measures are taken in that regard:

- the REIT Manager will be a dedicated manager to Spring REIT and, unless with the approval of the SFC, the REIT Manager will not manage any REIT other than Spring REIT nor manage other real estate assets other than those in which Spring REIT has an ownership interest or investment;
- the REIT Manager will ensure that it will be able to function independently from its shareholders and all executive officers will be employed by the REIT Manager on a full time basis and solely be dedicated to the operations of Spring REIT;
- the REIT Manager also has independent non-executive Directors and an Audit Committee which provide independent checks on the performance of the executive officers and ensure that the executive officers manage and operate Spring REIT independent from AD Capital;
- the REIT Manager has established procedures to deal with conflict of interests under its compliance manual;
- the REIT Manager has established internal control systems to ensure that connected party transactions between Spring REIT and its connected persons are monitored and undertaken according to procedures and/or on terms in compliance with the REIT Code (or where applicable, in compliance with the waiver conditions imposed by the SFC) and that other potential conflicts of interest that may arise are monitored;
- all conflicts of interest involving a substantial Unitholder or a Director will be required to be managed by a physical Board meeting rather than a written resolution and all independent non-executive Directors who, and whose associates, have no material interest in the matter should be present at such Board meeting;
- a Director who has material interests in a matter which is the subject of a resolution proposed at a Board meeting of the REIT Manager shall abstain from voting on the resolution concerned and shall not be counted in the quorum at the Board meeting at which such resolution is proposed; and
- the Property Manager has a team of operational staff exclusively dedicated to provide property management services to the Property. The Property Management Agreement provides that the Property Manager shall act in the best interest of RCA01.

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The REIT Manager has established an internal control system intended to ensure that connected party transactions between Spring REIT and its connected persons are monitored and are undertaken on terms in compliance with the REIT Code. All connected party transactions must be:

- (a) carried out at arm's length, on normal commercial terms and in an open and transparent manner;
- (b) valued, in relation to a property transaction, by an independent property valuer;
- (c) consistent with Spring REIT's investment objectives and strategy;
- (d) in the best interests of Unitholders;
- (e) properly disclosed to Unitholders; and
- (f) approved by the independent non-executive Directors of the REIT Manager (or a committee thereof) and, where the prior approval of Unitholders is required, the independent non-executive Directors of the REIT Manager (or a committee thereof) shall confirm, in a letter set out in the circular to Unitholders, whether the terms and conditions of the transaction are fair and reasonable and in the best interests of Unitholders and whether Unitholders should vote in favor of the resolution.

The REIT Manager must demonstrate to the independent non-executive Directors and the Audit Committee that all connected party transactions satisfy the foregoing criteria, which may entail (where practicable) obtaining quotations from parties unrelated to the REIT Manager, or obtaining one or more valuation letters from independent professional valuers. Prior approval of Unitholders is required for connected party transactions where the value of the transaction is 5.0% or more of the latest NAV of Spring REIT. A Unitholder is prohibited from voting its Units at, or being part of a quorum for, any meeting of Unitholders convened to approve any matter in which the Unitholder has a material interest in the business to be conducted and that interest is different from the interest of other Unitholders.

Under the Trust Deed, any Unitholder shall be prohibited from voting its own Units at, or being counted in the quorum for, a meeting at which it has a material interest in the business to be conducted and that interest is different from the interests of other Unitholders (as determined by: (a) the REIT Manager, where the Unitholder concerned is not a connected person related to the REIT Manager; or (b) the Trustee, where the Unitholder concerned is a connected person related to the REIT Manager, if appropriate, in its absolute opinion) including an issue of new Units where a Unitholder may increase its holdings of Units by more than its pro rata share. After the Listing Date, where required under the REIT Code, the Takeovers Code or the applicable provisions of the Listing Rules, the REIT Manager and its connected persons shall abstain from voting in relation to the relevant issuance of new Units. The REIT Manager and its connected persons shall also abstain from voting in relation to any proposal on the termination or merger of Spring REIT if such proposal is recommended by the REIT Manager, and the REIT Manager and connected persons related to it hold interests in the Units and their interest (at the sole determination of the Trustee) in the termination or merger of Spring REIT is different from that of all other Unitholders.

It is also provided in the Trust Deed that, as and to the extent required by the REIT Code or any conditions of waivers and exemptions from the operation of the REIT Code granted by the SFC from time to time or upon request in writing by the REIT Manager, the Trustee

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shall take actions or commence proceedings on behalf of Spring REIT as necessary, including against any connected persons of the Trustee in relation to any transactions or agreements entered into by the Trustee for and on behalf of Spring REIT with such persons provided that in the event of any action against the connected persons of the Trustee, the Trustee shall act upon the REIT Manager's request and instructions. Notwithstanding the foregoing, the REIT Manager shall inform the Trustee as soon as it becomes aware of any breach by a connected person of the Trustee of any agreement or transaction entered into by Spring REIT (or by the Trustee or the REIT Manager for and on behalf of Spring REIT) with such connected person and the REIT Manager may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders.

### **MANAGEMENT OF BUSINESS RISK**

The Board will meet quarterly, or more often if necessary, to review the risks to the assets and business of Spring REIT and will consider and, if appropriate, act upon any comments from the auditors of Spring REIT. The management of the REIT Manager (through the Advisory Committee) will also meet monthly (or more frequently if required) to review the operations of Spring REIT and discuss continuous disclosure issues.

### **GENERAL MEETINGS**

Spring REIT will in each calendar year hold an annual general meeting in addition to any other general meetings in that year. The Trustee or the REIT Manager may at any time convene a meeting of Unitholders. The REIT Manager will also convene a meeting of Unitholders if requested in writing by not less than two Unitholders registered as holding together not less than 10.0% of the Units for the time being in issue and outstanding. Notice of 14 days or 10 clear business days (whichever is the longer) at the least, of the meeting will be given to Unitholders, except that notice of 21 days or 20 clear business days (whichever is the longer) at the least, will be given to Unitholders for an annual general meeting or where a Special Resolution is proposed for consideration at such meeting, and the notice will specify the time and place of the meeting and the terms of any resolutions to be proposed.

Two or more Unitholders present in person or by proxy registered as holding together not less than 10.0% of the Units for the time being in issue and outstanding will form a quorum for the transaction of all business, except for the purpose of passing a Special Resolution. The quorum for passing a Special Resolution will be two or more Unitholders present in person or by proxy registered as holding together not less than 25.0% of the Units for the time being in issue and outstanding. The quorum for an adjourned meeting shall be such number of Unitholders who are present in person or by proxy, regardless of the number of Units held by them.

### **REPORTING AND TRANSPARENCY**

Spring REIT will prepare its accounts in accordance with the International Financial Reporting Standards with a financial year end of December 31 and a financial half-year end of June 30. In accordance with the REIT Code, the annual report and accounts for Spring REIT will be published and sent to Unitholders and filed with the SFC no later than four months following each financial year-end of Spring REIT and the semi-annual reports no later than two months following the end of the period it covers.



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The REIT Manager shall ensure that a full valuation of each of Spring REIT's real estate (whether held directly by the Trustee or indirectly through a special purpose vehicle) shall be conducted by a principal valuer appointed in accordance with the Trust Deed at least once a year, and may require the principal valuer to carry out additional valuations or inspections at such other dates as the REIT Manager may determine in its sole discretion, except that the next valuation of Spring REIT's real estate following the establishment of Spring REIT will be effected no later than or as at the end of the relevant financial year (the first valuation to be effected at the end of the financial year in which the Global Offering is completed). The REIT Manager shall also ensure that the principal valuer shall produce a valuation report (i) on real estate to be acquired or sold by Spring REIT or (ii) on non-cash consideration in the nature of real estate which is to be received for the issue of Units in accordance with the Trust Deed or (iii) in any other circumstance prescribed by the REIT Code.

The REIT Manager shall keep Unitholders informed of any material information pertaining to Spring REIT in a timely and transparent manner as required by the REIT Code and the provisions of Part XIVA of the SFO shall have effect, *mutatis mutandis*, as if Spring REIT is a "listed corporation" and if the board of directors of the REIT Manager are the board of directors of a "listed corporation".

The REIT Manager shall also inform Unitholders by way of announcement as soon as reasonably practicable of any information and/or developments concerning Spring REIT which:

- is necessary to enable Unitholders to appraise the position of Spring REIT;
- is necessary to avoid a false market in the Units;
- might be reasonably expected to materially affect market activity in and the price of the Units; or
- requires Unitholders' approval.

The REIT Manager will also issue circulars to Unitholders in respect of transactions that, pursuant to the REIT Code (or in the reasonable opinion of the Trustee or the REIT Manager), require Unitholders' approval or circulars in respect of material information in relation to Spring REIT, in accordance with the Trust Deed.

### **ISSUES OF FURTHER UNITS POST-LISTING**

To minimize the possible material dilution of holdings of Unitholders, any further issue of Units will need to comply with the pre-emption provisions contained in the REIT Code, the Trust Deed and any other applicable laws and regulations. The REIT Code provisions require that further issues of Units be first offered on a pro rata pre-emptive basis to existing Unitholders except that Units may be issued (a) free of such pre-emption rights up to an aggregate maximum in any financial year of 20% (or such other percentage of outstanding Units as may, from time to time, be prescribed by the SFC) of the number of Units outstanding at the end of the previous financial year; and (b) free of pre-emption rights in other circumstances provided that the approval of Unitholders by way of an Ordinary Resolution is obtained.

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Except pursuant to the issue of Units under the Global Offering, an issue of Units to a connected person of Spring REIT (other than, among other things, the issues under the section headed “Connected Party Transactions—Waiver for Issuance of New Units to Connected Persons” in this Offering Circular, and other than issues of Units to the REIT Manager as payment of the REIT Manager’s fees in accordance with certain waivers granted by the SFC) shall require specific prior approval of Unitholders by way of an Ordinary Resolution in respect of which the connected person shall be prohibited from voting or being counted in the quorum for the meeting of the Unitholders. Where the issue of Units would give rise to a conflict of interest on the part of the REIT Manager or its connected persons, the REIT Manager and its connected persons shall abstain from voting in relation to any issuance of Units.

Spring REIT is also subject to certain other restrictions on the issuance of Units and certain related securities, the details of which are set out in the section headed “Underwriting—Underwriting Arrangements and Expenses—Undertakings” in this Offering Circular.

RCA Fund is also subject to certain restrictions in respect of the Units held by it, the details of which are set out in the section headed “Underwriting” in this Offering Circular.

### **INTERESTS OF, AND DEALINGS IN UNITS BY, DIRECTORS, THE REIT MANAGER OR THE SIGNIFICANT UNITHOLDERS**

To monitor and supervise any dealings of Units, the REIT Manager has adopted a code containing rules on dealings by the Directors and the REIT Manager equivalent to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (the “Model Code”). Pursuant to this code, all Directors, senior executives, officers and other employees of the REIT Manager, subsidiaries of the REIT Manager or the Special Purpose Vehicles who, because of his/her office or employment in the REIT Manager, the relevant subsidiaries of the REIT Manager or the relevant Special Purpose Vehicles, is likely to be in possession of unpublished price sensitive information in relation to the securities of Spring REIT (“Management Persons”) wishing to deal in the Units, must first have regard to the provisions as if they applied to the Units set out in Parts XIII and XIV of the SFO with respect to insider dealing and market misconduct as if those provisions applied to the securities of Spring REIT. In addition, a Director or the REIT Manager must not make any unauthorized disclosure of confidential information obtained in the course of his or its service to any other person or make any use of such information for the advantage of himself or itself or others.

Management Persons who are aware of or privy to any negotiations or agreements related to intended acquisitions or disposals which are notifiable transactions under Chapter 14 of the Listing Rules as if applicable to Spring REIT or any connected party transaction under the REIT code or any inside information must refrain from dealing in the Units as soon as they become aware of them or privy to them until proper disclosure of the information in accordance with the REIT Code and any applicable rules and regulations. Management Persons who are privy to relevant negotiations or agreements or any inside information should caution those Management Persons who are not so privy that there may be unpublished inside information and that they must not deal in Units for a similar period.

Similarly, where a Management Person is in possession of any unpublished inside information, it must refrain from dealing in the Units as soon as it becomes aware of, or privy to, such information until proper disclosure of the information in accordance with the REIT Code and any applicable rules and regulations.

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During the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the result; and during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-yearly results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results, no Management Person may deal in any Units unless the circumstances are exceptional, for example, the exceptional circumstances as described in Rule C14 of the Model Code. In any event, in the case of dealings by a Management Person, the Management Person must comply with the procedure set out in the code containing rules on dealings in Units by Management Persons adopted by the REIT Manager.

The REIT Manager has also adopted procedures for the monitoring of disclosure of interests by Directors, the chief executive of the REIT Manager and the REIT Manager. The provisions of Part XV of the SFO shall be deemed to apply to the REIT Manager, the Directors and the chief executive of the REIT Manager and each Unitholder and all persons claiming through or under them. Under the Trust Deed and by virtue of the deemed application of Part XV of the SFO, Unitholders will have a notifiable interest if their holdings of Units reach or exceed the “notifiable percentage level” (as defined in the SFO for the purposes of Part XV of the SFO, and which is 5.0% as of the date of this Offering Circular) of the Units then in issue, and will be required to notify the Hong Kong Stock Exchange and the REIT Manager of their holdings in Spring REIT. The REIT Manager will promptly send a copy of any notification received by it to the Trustee. The REIT Manager shall keep a register for these purposes and it shall record in the register, against a person’s name, the particulars provided pursuant to the notification and the date of entry of such record. This register shall be available for inspection by the Trustee and any Unitholder at any time during business hours upon the request of the Trustee. For further details of the Trust Deed, see the section headed “The Trust Deed and Related Matters” in this Offering Circular.

Additionally, where the Trustee or the REIT Manager believes that a Unitholder may be a Significant Holder, each of the Trustee (on the instructions of the REIT Manager in writing) and the REIT Manager have the power to require the Unitholder to promptly disclose to the Trustee and the REIT Manager all of the legal, beneficial and equitable interests in Units held by the Unitholder and such other persons whose holdings of Units would be taken into account in determining whether the Unitholder is a Significant Holder. Without prejudice to the above, the Trustee shall have the power to require any Unitholder to promptly disclose to the Trustee all of the Unitholder’s beneficial interests in Units.

### **MATTERS TO BE DECIDED BY UNITHOLDERS BY SPECIAL RESOLUTION**

Pursuant to the Trust Deed, decisions with respect to certain matters require specific prior approval of Unitholders by way of Special Resolution. Such matters include: (a) changes in the REIT Manager’s investment policies or strategies for Spring REIT; (b) disposal of any of Spring REIT’s investments (which is in the nature of real estate or shares in any special purpose vehicle holding interest in real estate) prior to the expiry of two years from the time of Spring REIT’s holding of such investment; (c) any increase in the rate above the permitted limit or change in structure of the REIT Manager’s fees; (d) any increase in the rate above the permitted limit or change in structure of the Trustee’s fees; (e) certain modifications of the Trust Deed; (f) termination of Spring REIT; and (g) merger of Spring REIT. Unitholders may also, by way of Special Resolution, (i) remove Spring REIT’s auditors and appoint other auditors or (ii) remove the Trustee. As stated above, the quorum for passing a Special Resolution is two or more Unitholders present in person or by proxy

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registered as holding together not less than 25.0% of the Units for the time being in issue and outstanding.

At any meeting of Unitholders, a resolution put to the meeting shall be decided on a poll and the result of the poll shall be deemed to be the resolution of the meeting.