

**A. UNAUDITED PRO FORMA STATEMENTS OF FINANCIAL POSITION OF SPRING REIT**

The following tables set out, for illustrative purposes only, unaudited pro forma statements of financial position of Spring Real Estate Investment Trust (“Spring REIT”) as at June 30, 2013 based on the Maximum Offer Price and Minimum Offer Price.

The unaudited pro forma statements of financial position have been prepared based on the audited statement of financial position of RCA01 as at June 30, 2013 as set out in Appendix I to the Offering Circular, and to show the effect of (i) the acquisition of the entire equity interest in RCA01 by Spring REIT, (ii) the issuance of the New Units pursuant to the Global Offering, and (iii) the repayment of US\$49,431,000 and US\$46,733,000 of the Term Loan Facility as if they had taken place on June 30, 2013 based on the Maximum and Minimum Offer Price, respectively.

The unaudited pro forma statements of financial position have been prepared for illustrative purposes only and because of their hypothetical nature, they may not give a true picture of the financial position of Spring REIT had the above transactions been completed at June 30, 2013 or to give a true picture of the financial position of Spring REIT as at June 30, 2013 or any future date.

Unaudited Pro Forma Statement of Financial Position of Spring REIT (Based on the  
Maximum Offer Price of HK\$4.03)

	Audited statement of financial position of RCA01 as at June 30, 2013	Pro forma adjustments	Notes	Pro forma statement of financial position of Spring REIT
	(Note 1) US\$'000	(Unaudited) US\$'000		(Unaudited) US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment property .....	1,253,500	—		1,253,500
Derivative financial instruments .....	2,043	—		2,043
	<u>1,255,543</u>	<u>—</u>		<u>1,255,543</u>
<b>Current assets</b>				
Trade and other receivables .....	2,693	—		2,693
Restricted bank balances .....	55,916	—		55,916
Cash and cash equivalents .....	20,675	50,960	3	20,675
		(1,529)	3	
		(49,431)	4	
	<u>79,284</u>	<u>—</u>		<u>79,284</u>
<b>Total assets</b> .....	<u>1,334,827</u>	<u>—</u>		<u>1,334,827</u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Long-term borrowings .....	500,535	(48,043)	4	452,492
<b>Current liabilities</b>				
Rental deposits .....	19,314	—		19,314
Receipts in advance, accruals and other payables .....	11,723	—		11,723
	<u>31,037</u>	<u>—</u>		<u>31,037</u>
<b>Total liabilities</b> .....	<u>531,572</u>	<u>(48,043)</u>		<u>483,529</u>
<b>Net current assets</b> .....	<u>48,247</u>	<u>—</u>		<u>48,247</u>
<b>Net assets</b> .....	<u>803,255</u>	<u>48,043</u>		<u>851,298</u>

Unaudited Pro Forma Statement of Financial Position of Spring REIT (Based on the  
Maximum Offer Price of HK\$4.03)

	Audited statement of financial position of RCA01 as at June 30, 2013	Pro forma adjustments	Notes	Pro forma statement of financial position of Spring REIT
	(Note 1) US\$'000	(Unaudited) US\$'000		(Unaudited) US\$'000
<b>Represented by:</b>				
Ordinary shares .....	—	161,934	2(i)	—
		(161,934)	2(ii)	
Redeemable preference shares .....	161,934	(161,934)	2(i)	—
Retained earnings .....	607,697	(607,697)	2(ii)	—
Exchange reserves .....	33,624	(33,624)	2(ii)	—
	<u>803,255</u>	<u>(803,255)</u>		<u>—</u>
<b>Net assets attributable to Unitholders:</b>				
Units issued to RCA Fund .....	—	803,255	2(ii)	803,255
Units issued to public .....	—	50,960	3	50,960
Reimbursement of issuance cost to RCA Fund .....	—	(1,529)	3	(1,529)
Loss on early repayment of loan .....	—	(1,388)	4	(1,388)
	<u>—</u>	<u>(851,298)</u>		<u>851,298</u>

Unaudited Pro Forma Statement of Financial Position of Spring REIT (Based on the  
Minimum Offer Price of HK\$3.81)

	Audited statement of financial position of RCA01 as at June 30, 2013	Pro forma adjustments	Notes	Pro forma statement of financial position of Spring REIT
	(Note 1) US\$'000	(Unaudited) US\$'000		(Unaudited) US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment property .....	1,253,500	—		1,253,500
Derivative financial instruments .....	2,043	—		2,043
	<u>1,255,543</u>	<u>—</u>		<u>1,255,543</u>
<b>Current assets</b>				
Trade and other receivables .....	2,693	—		2,693
Restricted bank balances .....	55,916	—		55,916
Cash and cash equivalents .....	20,675	48,178	3	20,675
		(1,445)	3	
		(46,733)	4	
	<u>79,284</u>	<u>—</u>		<u>79,284</u>
<b>Total assets</b> .....	<u>1,334,827</u>	<u>—</u>		<u>1,334,827</u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Long-term borrowings .....	500,535	(45,420)	4	455,115
<b>Current liabilities</b>				
Rental deposits .....	19,314	—		19,314
Receipts in advance, accruals and other payables .....	11,723	—		11,723
	<u>31,037</u>	<u>—</u>		<u>31,037</u>
<b>Total liabilities</b> .....	<u>531,572</u>	<u>(45,420)</u>		<u>486,152</u>
<b>Net current assets</b> .....	<u>48,247</u>	<u>—</u>		<u>48,247</u>
<b>Net assets</b> .....	<u>803,255</u>	<u>45,420</u>		<u>848,675</u>

Unaudited Pro Forma Statement of Financial Position of Spring REIT (Based on the  
Minimum Offer Price of HK\$3.81)

	Audited statement of financial position of RCA01 as at June 30, 2013	Pro forma adjustments	Notes	Pro forma statement of financial position of Spring REIT
	(Note 1) US\$'000	(Unaudited) US\$'000		(Unaudited) US\$'000
<b>Represented by:</b>				
Ordinary shares . . . . .	—	161,934	2(i)	—
		(161,934)	2(ii)	
Redeemable preference shares . . . . .	161,934	(161,934)	2(i)	—
Retained earnings . . . . .	607,697	(607,697)	2(ii)	—
Exchange reserves . . . . .	33,624	(33,624)	2(ii)	—
	<u>803,255</u>	<u>(803,255)</u>		<u>—</u>
<b>Net assets attributable to Unitholders:</b>				
Units issued to RCA Fund . . . . .	—	803,255	2(ii)	803,255
Units issued to public . . . . .	—	48,178	3	48,178
Reimbursement of issuance cost to RCA Fund . . . . .	—	(1,445)	3	(1,445)
Loss on early repayment of loan . . . . .	—	(1,313)	4	(1,313)
	<u>—</u>	<u>848,675</u>		<u>848,675</u>

*Notes:*

- (1) Spring REIT was established on November 14, 2013. On the Listing Date, the entire interest in RCA01 will be acquired by Spring REIT. Spring REIT has not been involved in any business prior to the Listing Date and does not meet the definition of a business. The acquisition of RCA01 is merely a reorganization of the property investment business of the Group with no change in management of such business and the ultimate controlling owners of such business remain the same before and after the formation of the Group. Accordingly, the consolidated financial statements of Spring REIT have been presented using the carrying value of the property investment business and the balances have been extracted from the audited statements of financial position of RCA01 as at June 30, 2013 as set out in Appendix I to the Offering Circular.
- (2) The following adjustments represent the acquisition of the entire equity interest of RCA01 by Spring REIT on the Listing Date pursuant to the Reorganization Agreement:
  - (i) This represents the reclassification of all the issued preference shares in RCA01 held by RCA Fund as ordinary shares in RCA01. Before the reorganization arrangement, RCA Fund owns all of the issued preference shares in RCA01 whilst MaplesFS owns all of the issued ordinary shares in RCA01. In preparation for the Global Offering, as one of the reorganization steps to take place prior to the Listing Date, RCA Fund will acquire all of the issued ordinary shares in RCA01 from MaplesFS and thereafter, reclassify all of the issued preference shares in RCA01 held by RCA Fund as ordinary shares in RCA01 prior to the Listing Date. Accordingly, RCA Fund will then be the sole shareholder of RCA01, holding all of the issued ordinary shares in RCA01 prior to the Listing Date.
  - (ii) Pursuant to the Reorganization Agreement, RCA Fund will transfer all of the ordinary shares in RCA01 to the Trustee (in its capacity as trustee of Spring REIT) in exchange for the issue of 1,000,000,000 Units by Spring REIT to RCA Fund. The net assets attributable to these Units amount to US\$803,255,000. The market values of 1,000,000,000 Units are US\$520,000,000 and US\$491,613,000, based on the Maximum Offer Price and Minimum Offer Price of HK\$4.03 and HK\$3.81, respectively.
- (3) The estimated gross proceeds from New Units under the Global Offering are US\$50,960,000 and US\$48,178,000 based on the Maximum Offer Price and Minimum Offer Price, respectively. This represents the issuance of 98,000,000 New Units. All expenses of the Global Offering in connection with the listing of

the Spring REIT are to be paid by RCA Fund. Approximately 22.3% of the total estimated underwriting commission, which represents the approximate size of the primary portion of the Global Offering, will be reimbursed by Spring REIT.

- (4) The adjustment represents partial repayment of the existing Term Loan Facility of US\$49,431,000 and US\$46,733,000 out of the proceeds and a de-recognition of loan arrangement fee upon repayment of US\$1,388,000 and US\$1,313,000 based on the Maximum Offer Price and Minimum Offer Price, respectively.
- (5) Spring REIT is required to distribute to Unitholders an amount of no less than 90% of Spring REIT's annual distributable income for each financial year. Accordingly, the Units contain contractual obligations to pay cash dividends and also, upon the termination of Spring REIT, a share of all net cash proceeds derived from the sale or realization of the assets of Spring REIT less any liabilities, in accordance with their proportionate interests in Spring REIT at the date of its termination. The Unitholders' funds (which are represented by the net proceeds from the issuance of Units) are therefore classified as financial liabilities in accordance with International Accounting Standard 32: Financial Instruments: Disclosure and Presentation. It is shown on the Unaudited Pro Forma Statements of Financial Position of Spring REIT as net assets attributable to Unitholders.
- (6) The NAV per Unit is HK\$6.01 and HK\$5.99 based on the Maximum Offer Price and Minimum Offer Price, respectively. The calculation of the NAV per Unit is arrived at on the basis of the net assets attributable to Unitholders extracted from the Unaudited Pro Forma Statement of Financial Position of Spring REIT based on the Maximum Offer Price and Minimum Offer Price, and on the basis that 1,098,000,000 Units will be in issue upon the completion of the Global Offering respectively. The Maximum Offer Price of HK\$4.03 and the Minimum Offer Price of HK\$3.81 represent a discount of 33% and a discount of 36% respectively to the NAV per Unit.
- (7) The unaudited pro forma statement of financial position of Spring REIT does not take into account dividend of USD 15,000,000 declared by RCA01 on November 12, 2013 to its then preference shareholder, RCA Fund, which has been paid out on November 15, 2013.
- (8) For the purpose of the estimated proceeds from the Global Offering, the translation of HK\$ to US\$ was made at the rate of HK\$7.75 to US\$1.

**B. LETTER FROM THE REPORTING ACCOUNTANT ON UNAUDITED PRO FORMA  
FINANCIAL INFORMATION**

*The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Offering Circular.*



羅兵咸永道

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED IN  
AN OFFERING CIRCULAR**

TO THE DIRECTORS OF SPRING ASSET MANAGEMENT LIMITED (AS MANAGER OF  
SPRING REAL ESTATE INVESTMENT TRUST)

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Spring Real Estate Investment Trust ("Spring REIT") and its controlled entity (hereinafter collectively referred to as the "Group") by the directors of Spring Asset Management Limited (the "REIT Manager") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of financial position of Spring REIT as at June 30, 2013 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-6 of Spring REIT's offering circular dated November 25, 2013, in connection with the proposed initial public offering of the units of Spring REIT. The applicable criteria on the basis of which the directors of the REIT Manager have compiled the Unaudited Pro Forma Financial Information are described in Notes 1 to 8.

The Unaudited Pro Forma Financial Information has been compiled by the directors of the REIT Manager to illustrate the impact of the proposed initial public offering on the Group's financial position as at June 30, 2013 as if the proposed initial public offering had taken place at June 30, 2013. As part of this process, information about RCA01's financial position has been extracted by the directors of the REIT Manager from its financial statements for the period ended June 30, 2013, on which an accountant's report has been published.

***Responsibility for the Unaudited Pro Forma Financial Information of the Directors of  
the REIT Manager***

The directors of the REIT Manager are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as if paragraph 4.29 of the Listing Rules were applicable to Spring REIT and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

***Reporting Accountant's Responsibilities***

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, as if paragraph 4.29 of the Listing Rules were applicable to Spring REIT, on the

Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus”, issued by the HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the directors of the REIT Manager have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules as if paragraph 4.29 of the Listing Rules were applicable to Spring REIT and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in an offering circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed initial public offering at June 30, 2013 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant’s judgment, having regard to the reporting accountant’s understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



***Opinion***

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the REIT Manager on the basis stated;
- (b) such basis is consistent with the accounting policies to be adopted by Spring REIT;  
and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules, as if paragraph 4.29 of the Listing Rules were applicable to Spring REIT.

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, November 25, 2013