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## OFFERING CIRCULAR SUMMARY

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*The following summary is derived from, and should be read in conjunction with, the full text of this Offering Circular. This section is only a general summary of the more detailed information contained elsewhere in this Offering Circular. You should read carefully the entire Offering Circular to understand Spring REIT's business, statement of distributions, the rights attached to the Units, and tax and other considerations that may be important to your decision whether to invest in the Units. As an investment in the Units involves risks, you should pay particular attention to the section headed "Risk Factors" in this Offering Circular.*

*In making your investment decision, you should rely only on the information contained in this Offering Circular. None of Spring REIT, the REIT Manager, the Trustee, RCA Fund, AD Capital, the Underwriters, the Listing Agent, any of their respective directors, agents, employees or advisors or any other persons involved in the Global Offering has authorized anyone to provide you with any information or make any representation that is different from that contained in this Offering Circular.*

*Statements contained in this summary that are not historical facts may be forward-looking statements based on certain reasonable assumptions, expectations and beliefs of the REIT Manager. You are cautioned that there are certain risks and uncertainties associated with Spring REIT and the actual results may differ materially from those projected by such forward-looking statements.*

### **A REIT AS AN INVESTMENT VEHICLE**

A REIT is a collective investment scheme constituted as a unit trust that invests primarily in income-producing real estate assets and uses the income to provide stable returns to its unitholders. Holding units in a REIT allows investors to share the benefits and risks of owning the real estate assets held by the REIT. An investment in the units of a REIT in Hong Kong is governed primarily by the REIT Code and also the trust deed constituting the REIT and offers investors the following benefits:

- certainty as to business focus of the REIT, as a REIT does not have the discretion to diversify outside of the real estate sector or to own significant non-real estate assets;
- a distribution which is required by the REIT Code to be at least 90% of the REIT's audited net income after tax for each financial year, subject to certain adjustments;
- significantly enhanced liquidity in comparison to direct investments in real estate;
- a REIT manager licensed and regulated on an ongoing basis by the SFC; and
- a corporate governance framework, compliance with which is overseen by an independent trustee.

### **OVERVIEW OF SPRING REIT**

Spring REIT is a real estate investment trust formed primarily to own and invest in high quality income-producing real estate assets in Asia. The key objectives of the REIT Manager for Spring REIT are to provide Unitholders with stable distributions and the potential for sustainable long-term growth in the distributions and enhancement in the value of the real estate assets.

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Spring REIT is the first REIT to offer investors direct exposure to two Premium Grade office buildings strategically located in the CBD of Beijing. Spring REIT will initially invest in and own the Property through its ownership of RCA01. The Property comprises all of the office floors of Office Tower 1 (including Levels 4 to 28, and the equipment and emergency shelter floor on Level 16, which contains no lettable space) and Office Tower 2 (including Levels 4 to 32, and the equipment and emergency shelter floor on Level 20, which contains no lettable space) in China Central Place and a total of approximately 600 car parking spaces located in the underground levels of the two office buildings. The Property has a total of 120,245 sq.m. of office space and 25,127 sq.m. of car parking spaces. Construction of the Property commenced in March 2004 and was completed in December 2006.

### KEY INVESTMENT HIGHLIGHTS OF SPRING REIT

The REIT Manager believes that Spring REIT presents Unitholders with an attractive investment proposition:

- Exposure to Premium Grade office buildings located in the CBD of Beijing;
- The Property is able to benefit from being part of China Central Place (華貿中心), a prime mixed-use complex in Beijing and a well recognized brand;
- High occupancy rates and a diverse and high quality tenant base at the Property;
- Attractive distribution prospects supported by organic growth; and
- Transparent and professional management by a highly experienced management team with a proven track record.

For further details, see the section headed “Investment Highlights” in this Offering Circular.

### OBJECTIVES AND INVESTMENT STRATEGIES OF SPRING REIT

The key objectives of the REIT Manager for Spring REIT are to provide Unitholders with stable distributions and the potential for sustainable long-term growth in the distributions and enhancement in the value of the real estate assets. The REIT Manager intends to accomplish these objectives through holding and investing in high quality income-producing real estate assets in mainland China, although future acquisitions may also be made in Hong Kong, Macau, Taiwan, Japan and other areas of Asia.

The implementation of the REIT Manager’s strategy can be broadly categorized as follows:

- **Asset Management Strategy.** The REIT Manager intends to actively manage Spring REIT’s property portfolio to maximize long-term value, maintain high occupancy rates, increase lease renewal rates and maintain a high quality tenant base. The REIT Manager will work closely with both the Property Manager and the Building Manager to drive organic growth and maintain strong relationships with tenants.

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- **Acquisition Strategy.** The REIT Manager intends to seek to selectively acquire additional high quality income-producing real estate that meets its investment criteria.
- **Capital and Risk Management Strategy.** The REIT Manager intends to focus on maximizing the returns on the portfolio and distributions to Unitholders, while maintaining an appropriate loan-to-value ratio.

For further details, see the section headed “Strategy” in this Offering Circular.

### SUMMARY INFORMATION ON THE PROPERTY

<b>Description</b>	The Property comprises all of the office floors of Office Tower 1 (including Levels 4 to 28, and the equipment and emergency shelter floor on Level 16, which contains no lettable space) and Office Tower 2 (including Levels 4 to 32, and the equipment and emergency shelter floor on Level 20, which contains no lettable space) in China Central Place and a total of approximately 600 car parking spaces located in the underground levels of the two office buildings. The Property is located at No. 79 and No. 81, Jianguo Road (建國路), Chaoyang District, Beijing, China
<b>Year of Completion</b>	December 2006
<b>Number of Car Parking Spaces</b>	Approximately 600 car parking spaces
<b>Total GFA</b>	145,373 sq.m., comprising the Total Office GFA of 120,245 sq.m. and car parking GFA of 25,127 sq.m.
<b>Appraised Value (As of August 31, 2013)</b>	RMB7,747 million
<b>Number of Tenants (As of June 30, 2013)</b>	125 tenants under 174 leases
<b>Land Use Rights</b>	50 years expiring on October 28, 2053
<b>Building Ownership Certificates</b>	RCA01 has valid building ownership certificates for the Property, comprising 120,245 sq.m. of office space and 25,127 sq.m. of car parking spaces

### FINANCIAL AND OPERATIONAL INFORMATION

#### Tenant Mix

The Property has a diverse and high quality tenant base with a total of 125 tenants under 174 leases as of June 30, 2013. A significant number of these tenants are leading multi-national and domestic companies, which include Deutsche Bank, Condé Nast, NBA, Tesco, SAP AG, White & Case LLP, Zhong De Securities, Global Law Office, Aecom, Itochu, Brasil Embraer, Baxter, Richemont and Bain & Company. The tenants are also in a wide variety of industry sectors, including finance, insurance, professional services, education, media, sport, energy, technology and health care. They represent a balance of international and domestic organizations.

## OFFERING CIRCULAR SUMMARY

The following table sets forth information on the five largest tenants of the Property in terms of Office GFA as of June 30, 2013:

<u>Tenant</u>	<u>Expiration date(s)</u>	<u>Office GFA</u> <i>(sq.m.)</i>	<u>Percentage of Total Office GFA</u> <i>(%)</i>
Deutsche Bank and its affiliated companies .....	November 2013 <sup>(1)</sup>	7,183	6.0
SAP AG .....	March 2014	6,952	5.8
Condé Nast .....	January 2014	5,406	4.5
Zhong De Securities .....	April 2016	3,162	2.6
Global Law Office .....	June 2014	3,091	2.6
<b>Total</b> .....		<b><u>25,794</u></b>	<b><u>21.5</u></b>

Note:

(1) The lease with Deutsche Bank and its affiliated companies expires on November 30, 2013. As of the Latest Practicable Date, the Property Manager is in the process of renewing this lease.

Other than Deutsche Bank and Zhong De Securities, which are connected persons of Spring REIT as a result of their relationships with the Trustee, none of the other three largest tenants in terms of Office GFA are connected persons of Spring REIT.

### Occupancy and Unit Rent

The following table sets forth information on the average Office Occupancy Rate, average Unit Rent of new/renewed leases and average leased Unit Rent for the periods indicated:

	<u>Average Office Occupancy Rate<sup>(1)</sup></u> <i>(%)</i>	<u>Average Unit Rent of New/Renewed Leases<sup>(2)</sup></u> <i>(RMB)</i>	<u>Average Leased Unit Rent<sup>(3)</sup></u> <i>(RMB)</i>
Year ended December 31, 2010 .....	90	198	188
Year ended December 31, 2011 .....	96	241	201
Year ended December 31, 2012 .....	96	332	226
Six months ended June 30, 2013 .....	96	376	268

Notes:

(1) The average Office Occupancy Rate over the relevant period is derived by dividing the sum of the occupancy rates as of the end of each month during the relevant period by the number of months in the relevant period.

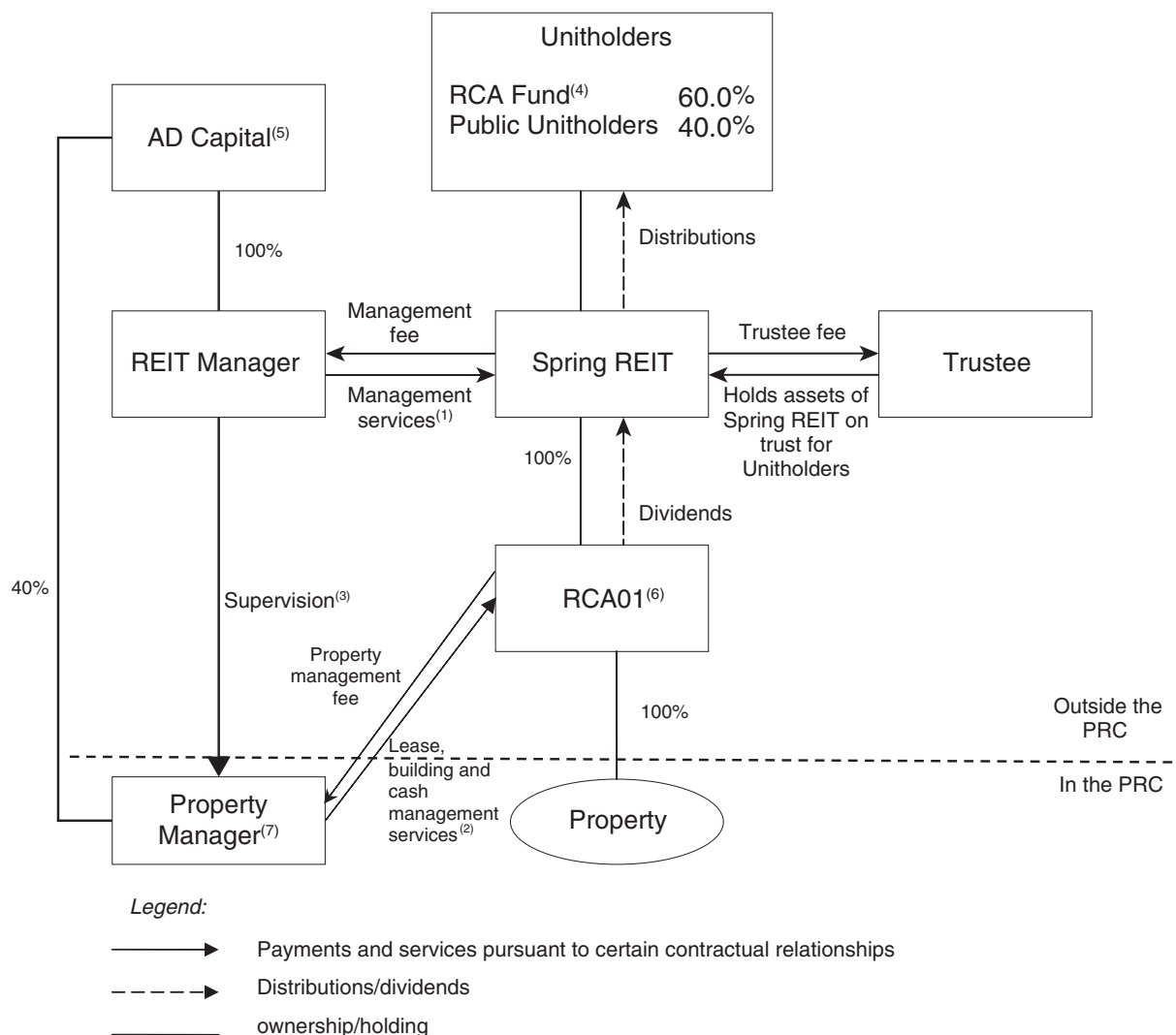
(2) The average Unit Rent of new/renewed leases over the relevant period is calculated as the weighted average of the Unit Rent for lease agreements, the performance of which commences during a relevant period.

(3) The average leased Unit Rent is calculated as the weighted average of the Unit Rent for lease agreements that are being performed during a relevant period.

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## OVERVIEW OF SPRING REIT'S STRUCTURE

The following diagram depicts the ownership structure of Spring REIT and the Property, and the primary structural and contractual relationships between Spring REIT, the Unitholders, the REIT Manager, the Trustee and the Property Manager upon completion of the Global Offering (before any exercise of the Over-allotment Option).



**Notes:**

- (1) The REIT Manager will provide management services to Spring REIT and will receive a management fee from Spring REIT. Please refer to the section headed “The REIT Manager— Fees, Costs and Expenses of the REIT Manager” in this Offering Circular for further details.
- (2) The Property Manager provides lease management, building management and cash management services to RCA01 pursuant to the Property Management Agreement and receives a property management fee. Please refer to the section headed “The Property Manager and the Building Manager—Property Management Agreement” in this Offering Circular for further details.
- (3) The Property Management Supervision Agreement was entered into by the REIT Manager, the Trustee, RCA01, AD Capital and AD Capital Beijing. Please refer to the section headed “Material Agreements and Other Documents Relating to Spring REIT — Property Management Supervision Agreement” in this Offering Circular for further details.
- (4) RCA Fund is an exempted limited partnership established in the Cayman Islands. As of the Latest Practicable Date, the sole general partner of RCA Fund was RCAC, a Cayman Islands exempted company.

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The management, control, operation of and the determination of the policy with respect to RCA Fund and its investments are exclusively vested in RCAC. For further details, see the section headed “Information About RCA Fund” in this Offering Circular.

- (5) AD Capital is a private equity investment firm owned by DBJ, Asuka Asset Management Co., Ltd. and certain minority management shareholders. AD Capital is principally engaged in investing in companies and projects in growth sectors in Japan, China and other parts of Asia and it has made selective investments in real estate. AD Capital also provides management services to RCA Fund pursuant to a management agreement between AD Capital and RCA Fund (acting through its general partner, RCAC).
- (6) RCA01 is an exempted company with limited liability registered in the Cayman Islands. Other than holding the Property, RCA01 has no other business operations or employees.
- (7) There will be no change in the ownership structure of the Property Manager as a result of the Reorganization referred to in the section headed “Reorganization, Structure and Organization of Spring REIT — Reorganization” in this Offering Circular.

As of the Latest Practicable Date, RCA Fund owned all of the issued preference shares in RCA01 while MaplesFS owned 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 Completion. Accordingly, RCA Fund will then be the sole shareholder of RCA01, holding all of the issued ordinary shares in RCA01 prior to Completion. Pursuant to the Reorganization, 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 to RCA Fund. Please see the section headed “Reorganization, Structure and Organization of Spring REIT — Reorganization” in this Offering Circular for details.

### THE REIT MANAGER

The REIT Manager, Spring Asset Management Limited, was incorporated in Hong Kong under the Companies Ordinance on January 29, 2013.

The REIT Manager is wholly owned by AD Capital, which is a private equity investment firm established as a joint venture among DBJ, a financial institution wholly owned by the Government of Japan, Asuka Asset Management Co., Ltd., one of the major alternative asset management firms in Japan, and certain minority management shareholders. AD Capital is principally engaged in investing in companies and projects in growth sectors in Japan, China and other parts of Asia and it has made selective investments in real estate. AD Capital also provides management services to RCA Fund pursuant to a management agreement between AD Capital and RCA Fund (acting through its general partner, RCAC).

The REIT Manager is licensed by the SFC to conduct the regulated activity of asset management. The REIT Manager is responsible for the management of Spring REIT and ensuring compliance with the applicable provisions of the REIT Code, the SFO and other relevant legislation, the Listing Rules, the Trust Deed and all relevant contracts. See the section headed “The REIT Manager” in this Offering Circular for further details on the REIT Manager.

### THE TRUSTEE

The trustee of Spring REIT is DB Trustees (Hong Kong) Limited. The Trustee is an indirect wholly owned subsidiary of Deutsche Bank AG. The Trustee is a company incorporated in Hong Kong and registered as a trust company under section 77 of the Trustee Ordinance. The Trustee is qualified to act as a trustee of collective investment schemes authorized under the SFO pursuant to the REIT Code.

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For details of the Trustee's obligations under the Trust Deed and the REIT Code, see the section headed "The Trust Deed and Related Matters" in this Offering Circular.

### THE PROPERTY MANAGER

The Property Manager is Beijing Hua-re Real Estate Consultancy Co., Ltd. As of the Latest Practicable Date, the Property Manager was owned by AD Capital, Langfang Development Zone Hua-kun Information Consultancy Co., Ltd. (廊坊開發區華坤信息諮詢服務有限公司) and Langfang Development Zone Xinhua Jiaye Investment Consultancy Co., Ltd. (廊坊開發區鑫化嘉業投資諮詢有限公司) as to 40.0%, 40.0% and 20.0%, respectively.

The Property Manager has been appointed as an agent of RCA01 to conduct the day-to-day operation and management of the Property under the Property Management Agreement. The Property Manager receives, on a monthly basis, 2.0% of the total monthly revenue of the Property for providing lease management, building management and cash management services in respect of the Property. For details of the Property Manager's services, see the sections headed "The Property and Business — Lease Management and Lease Agreements" and "The Property Manager and the Building Manager — The Property Management Agreement" in this Offering Circular.

For further information on the Property Manager, see the section headed "The Property Manager and the Building Manager" in this Offering Circular.

### CORPORATE GOVERNANCE

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 Trustee and the REIT Manager are independent of each other, with their respective roles in relation to Spring REIT set out in the REIT Code and the Trust Deed. The REIT Manager is required by the REIT Code to act in the best interests of the Unitholders, to whom the Trustee also owes fiduciary duties.

The Board comprises seven members, three of whom are independent non-executive Directors.

Policies and procedures have been established for, among other things, monitoring and supervising dealings in Units by the Directors and the REIT Manager. For further details, see the section headed "Corporate Governance" in this Offering Circular.

### SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information on a historical basis for RCA01.

The summary statements of comprehensive income and cash flows for each of the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2012 and 2013 and the statements of financial position as of December 31, 2010, 2011 and 2012 and June 30, 2013 have been derived from RCA01's financial information and related notes thereto, which have been included in Appendix I to this Offering Circular. The financial information as of and for the years ended December 31, 2010, 2011 and 2012 and the six

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months ended June 30, 2013 and the related notes thereto have been prepared in accordance with IFRS and have been audited by PricewaterhouseCoopers, the reporting accountant. The statements of comprehensive income and cash flows for the six months ended June 30, 2012 have been derived from RCA01's unaudited financial information and related notes thereto, which have been included in Appendix I to this Offering Circular.

The summary financial information for RCA01 included below and set forth in Appendix I to this Offering Circular is not indicative of Spring REIT's future performance. You should read the following selected financial information together with the sections headed "The Property and Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Unaudited Pro Forma Statement of Financial Position" in this Offering Circular and the historical financial information of RCA01 and related notes thereto set forth in Appendix I to this Offering Circular. For a discussion of Spring REIT's future financial condition and results of operations, see the section headed "Management's Discussion and Analysis of Future Financial Condition and Results of Operations" in this Offering Circular.



## OFFERING CIRCULAR SUMMARY

### Statements of Comprehensive Income

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
				<i>(unaudited)</i>	
<b>Revenues</b> .....	37,191	44,692	52,903	24,829	30,510
Operating expenses .....	(11,691)	(12,425)	(13,630)	(6,468)	(7,755)
General and Administrative expenses ...	(272)	(303)	(226)	(67)	(2,037)
Increase in fair value of an investment property .....	122,058	158,479	190,102	113,356	45,912
Other losses, net .....	(13,777)	(1,025)	(7,520)	(3,749)	(5,158)
<b>Operating profit</b> .....	133,509	189,418	221,629	127,901	61,472
Finance income .....	155	194	324	168	188
Finance costs <sup>(1)</sup> .....	(34,498)	(5,977)	(27,575)	(15,846)	(9,394)
<b>Profit for the year/period</b> .....	<u>99,166</u>	<u>183,635</u>	<u>194,378</u>	<u>112,223</u>	<u>52,266</u>
<b>Other comprehensive income/(loss)</b>					
Exchange gain/(loss) on translation of financial statements .....	5,527	15,481	1,838	(1,864)	10,778
<b>Total comprehensive income for the year/period</b> .....	<u>104,693</u>	<u>199,116</u>	<u>196,216</u>	<u>110,359</u>	<u>63,044</u>

*Note:*

(1) Please see Note 9 to the Accountant's Report set out in Appendix I to this Offering Circular for more information on finance costs.

## OFFERING CIRCULAR SUMMARY

### Statements of Financial Position

	As of December 31,			As of
	2010	2011	2012	June 30,
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>2013</u>
				<u>US\$'000</u>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment property . . . . .	790,614	993,509	1,186,859	1,253,500
Derivative financial instruments . . . . .	6,443	4,613	—	2,043
	<u>797,057</u>	<u>998,122</u>	<u>1,186,859</u>	<u>1,255,543</u>
<b>Current assets</b>				
Trade and other receivables . . . . .	3,113	1,309	1,817	2,693
Amount due from redeemable preference shareholders <sup>(1)</sup> . . . . .	11,983	25,466	29,080	—
Restricted bank balances . . . . .	30,256	34,782	36,955	55,916
Cash and cash equivalents . . . . .	5,927	2,099	12,076	20,675
	<u>51,279</u>	<u>63,656</u>	<u>79,928</u>	<u>79,284</u>
<b>Total assets</b> . . . . .	<u>848,336</u>	<u>1,061,778</u>	<u>1,266,787</u>	<u>1,334,827</u>
<b>EQUITY</b>				
<b>Capital and reserves</b>				
Ordinary shares . . . . .	—	—	—	—
Redeemable preference shares <sup>(2)</sup> . . . . .	151,077	158,793	159,182	161,934
Retained earnings . . . . .	206,006	389,641	584,019	607,697
Exchange reserves . . . . .	5,527	21,008	22,846	33,624
<b>Total equity</b> . . . . .	<u>362,610</u>	<u>569,442</u>	<u>766,047</u>	<u>803,255</u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Long-term borrowings . . . . .	465,947	472,343	—	500,535
<b>Current liabilities</b>				
Rental deposits . . . . .	12,446	14,622	16,652	19,314
Receipts in advance, accruals and other payables . . . . .	7,333	5,371	6,914	11,723
Current portion of long-term borrowings . . . . .	—	—	477,174	—
	<u>19,779</u>	<u>19,993</u>	<u>500,740</u>	<u>31,037</u>
<b>Total liabilities</b> . . . . .	<u>485,726</u>	<u>492,336</u>	<u>500,740</u>	<u>531,572</u>
<b>Total equity and liabilities</b> . . . . .	<u>848,336</u>	<u>1,061,778</u>	<u>1,266,787</u>	<u>1,334,827</u>
<b>Net current assets / (liabilities)</b> . . . . .	<u>31,500</u>	<u>43,663</u>	<u>(420,812)</u>	<u>48,247</u>
<b>Total assets less current liabilities</b> . . . . .	<u>828,557</u>	<u>1,041,785</u>	<u>766,047</u>	<u>1,303,790</u>

*Notes:*

- (1) This receivable represents the asset management fee paid by RCA01 on behalf of RCA Fund to AD Capital. The receivable was offset by a dividend payable on June 28, 2013.
- (2) The preference shares in RCA01 will be reclassified as ordinary shares prior to Completion.

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### Statements of Cash Flows

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
				<i>(unaudited)</i>	
Net cash generated from operating activities .....	31,463	34,575	39,509	18,947	27,063
Net cash used in investing activities .....	(3,862)	(12,552)	(3,535)	(2,834)	(3,234)
Net cash used in financing activities .....	(21,675)	(25,851)	(25,998)	(11,095)	(15,232)
Net increase/(decrease) in cash and cash equivalents .....	5,926	(3,828)	9,976	5,018	8,597
Cash and cash equivalents at beginning of the year/period .....	1	5,927	2,099	2,099	12,076
Exchange gains on cash and cash equivalents .....	—	—	1	—	2
Cash and cash equivalents at end of the year/period .....	<u>5,927</u>	<u>2,099</u>	<u>12,076</u>	<u>7,117</u>	<u>20,675</u>

### PROFIT FORECAST FOR THE PERIOD FROM THE LISTING DATE TO DECEMBER 31, 2013

The REIT Manager forecasts that, in the absence of unforeseen circumstances and on the bases and assumptions set out in the section headed “Profit Forecast — Bases and Assumptions” in this Offering Circular, the profit attributable to Unitholders and the Annual Distributable Income of Spring REIT for the period from the Listing Date to December 31, 2013 (being the Profit Forecast Period) will be not less than US\$1.2 million and US\$2.1 million, respectively.

The profit forecast assumes that the anticipated Listing Date will be December 5, 2013 and will vary if the actual Listing Date is different.

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	<u>For the Profit Forecast Period</u> <i>US\$'000</i>
<b>Revenue</b>	
Rental income .....	5,103
Car park income .....	40
Other income .....	<u>0</u>
	5,143
<b>Operating expenses</b>	
Property management fee .....	(103)
Property taxes .....	(284)
Business tax and other taxes .....	(301)
Withholding tax .....	(514)
Insurance .....	(13)
Leasing commissions .....	(71)
Others .....	<u>0</u>
	(1,286)
<b>General and administrative expenses</b>	
Asset management fee .....	0
Professional fee .....	<u>(45)</u>
	(45)
<b>Trust and IPO-related expenses</b>	
REIT Manager's fee .....	(419)
Trustee fees and other trust expenses .....	<u>(201)</u>
	(620)
<b>Increase in fair value of investment property<sup>(1)</sup></b> .....	0
<b>Other losses, net</b> .....	<u>(59)</u>
<b>Operating profit</b> .....	3,133
<b>Finance income</b> .....	22
<b>Finance costs</b> .....	<u>(1,958)</u>
<b>Profit for the period</b> .....	<u>1,197</u>
<b>Distribution data:</b>	
Profit for the period .....	1,197
Adjustments <sup>(2)</sup> .....	<u>891</u>
<b>Distributable income for the Profit Forecast Period</b> .....	<u><u>2,088</u></u>

	<u>For the Profit Forecast Period</u>	
	<u>Minimum Offer Price</u>	<u>Maximum Offer Price</u>
Offer price (HK\$) .....	3.81	4.03
Assumed number of Units outstanding as of December 31, 2013 for the Profit Forecast Period (in millions) <sup>(3)</sup> .....	1,099	1,099
Forecast distribution per Unit ("DPU") (HK\$) .....	0.015	0.015
Annualized DPU (HK\$) .....	0.199	0.199
Forecast annualized distribution yield <sup>(4)</sup> .....	5.23%	4.94%

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*Notes:*

- (1) The forecast valuation of the investment property held by the Spring REIT (being the Property) as of the Listing Date and December 31, 2013 is based on the Appraised Value of the Property by the Independent Property Valuer as of August 31, 2013. The REIT Manager forecasts that there will be no material change in the fair value of investment property in the Profit Forecast Period.
- (2) Adjustments are made to add back (i) US\$59,000 in respect of the losses in fair value of derivative financial instruments, (ii) US\$335,000 in respect of the portion of the REIT Manager's fee to be paid in the form of Units, and (iii) US\$497,000 in respect of the non-cash loan arrangement fees amortized under finance costs.
- (3) For the purpose of calculating the DPU of the Units held by Unitholders as of December 31, 2013 for the FY2013 Distribution Period set forth in the table above, it is assumed the number of Units issued and outstanding remains unchanged, and includes the estimated number of Units to be issued as the REIT Manager's fee of approximately 644,000 Units based on the Maximum Offer Price and approximately 681,000 Units based on the Minimum Offer Price for the Profit Forecast Period.
- (4) The annualized forecast distribution yields are provided for illustrative purposes only. The annualized actual distribution yield may differ from the annualized forecast distribution yields based on the forecast DPU for the Profit Forecast Period. The annualized forecast distribution yields have been calculated with reference to the Minimum Offer Price and Maximum Offer Price only. Such yields will vary for investors who purchase Units in the secondary market at a market price that differs from the Minimum Offer Price and the Maximum Offer Price or for investors who do not hold Units for the entire Profit Forecast Period.

### **HEDGING STRATEGIES**

RCA01 has in the past entered into currency options to economically hedge bank borrowings denominated in U.S. dollars and plain vanilla interest rate caps to economically hedge the interest rate risk arising from bank borrowings as part of its financial risk management, but did not account for these as accounting hedges under IAS 39. As of the date of this Offering Circular, RCA01 has outstanding plain vanilla interest rate caps entered into in February 2013 to economically hedge the interest rate risk arising from the Term Loan Facility with principal amount of US\$515 million. For more information on the hedging transactions RCA01 has entered into, please see the section headed "Management's Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Disclosure about Market Risk" in this Offering Circular. Apart from the plain vanilla interest rate caps entered into in February 2013, the REIT Manager currently does not have any immediate plans to enter into any other hedging transactions.

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## OFFERING CIRCULAR SUMMARY

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### CERTAIN FEES AND CHARGES

The following is a summary of certain fees and charges payable by Spring REIT in connection with the establishment and ongoing management of Spring REIT:

<u>Payable by Spring REIT</u>	<u>Amount Payable</u>
(a) REIT Manager's fee <sup>(1)</sup>	<p><b>Base Fee</b></p> <p>0.4% per annum of the value of the Deposited Property.</p> <p><b>Variable Fee</b></p> <p>3.0% per annum of the Net Property Income (before deduction therefrom of the Base Fee and Variable Fee).</p> <p><b>Acquisition Fee</b></p> <p>Not exceeding the rate of 1.0% (and being 1.0% as of the date of the Trust Deed) of the acquisition price of each real estate asset (other than the Property) acquired by Spring REIT.</p> <p><b>Divestment Fee</b></p> <p>Not exceeding the rate of 0.5% (and being 0.5% as of the date of the Trust Deed) of the sale price of each real estate asset sold by Spring REIT.</p>
(b) Trustee's fee	<p>Currently 0.015% to 0.025% per annum of the value of the Deposited Property payable semi-annually or quarterly in arrears, which may be adjusted from time to time but subject to a minimum of RMB56,000 per month and a maximum cap of 0.06% per annum of the value of the Deposited Property. Based on the value of the Deposited Property of approximately RMB7,747 million as of August 31, 2013, the rate of the Trustee's fee in respect of the Property would be 0.02% per annum. Spring REIT will also pay to the Trustee a one-time inception fee of HK\$180,000.</p> <p>The Trustee may also charge Spring REIT additional fees on a time-cost basis at a rate to be agreed with the REIT Manager from time to time if the Trustee were to undertake duties that are of an exceptional nature or otherwise outside the scope of its normal duties in the ordinary course of normal day-to-day business operation of Spring REIT, such as acquisition or divestment of investments by Spring REIT after the IPO.</p>
(c) Property management fee (payable to the Property Manager)	2.0% monthly of the total monthly revenues of the Property.

*Note:*

- (1) The REIT Manager may elect at its sole discretion to receive, in whole or in part, the Base Fee and/or the Variable Fee in cash or in the form of Units. If no election is made, the Base Fee and the Variable Fee will be paid in cash. The Acquisition Fee or the Divestment Fee will be paid to the REIT Manager in the form of cash or, at the election of the REIT Manager, in whole or in part in the form of Units.

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## OFFERING CIRCULAR SUMMARY

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The following is a summary of certain fees and charges payable by Unitholders, in HK\$, in connection with the subscription or purchase of Units in the Global Offering:

<u>Payable by Unitholders directly</u>	<u>Amounts Payable<sup>(1)</sup></u>
Brokerage .....	1.0% of Maximum Offer Price
Hong Kong Stock Exchange trading fee .....	0.005% of Maximum Offer Price
SFC transaction levy .....	0.003% of Maximum Offer Price

*Note:*

(1) Subject to refund if the Offer Price is lower than the Maximum Offer Price.

### **RISK FACTORS**

There are risks associated with any investment. Some of the particular risks in investing in the Units are set out in the section headed "Risk Factors" in this Offering Circular. Investors should read that entire section carefully before they decide to invest in the Units.