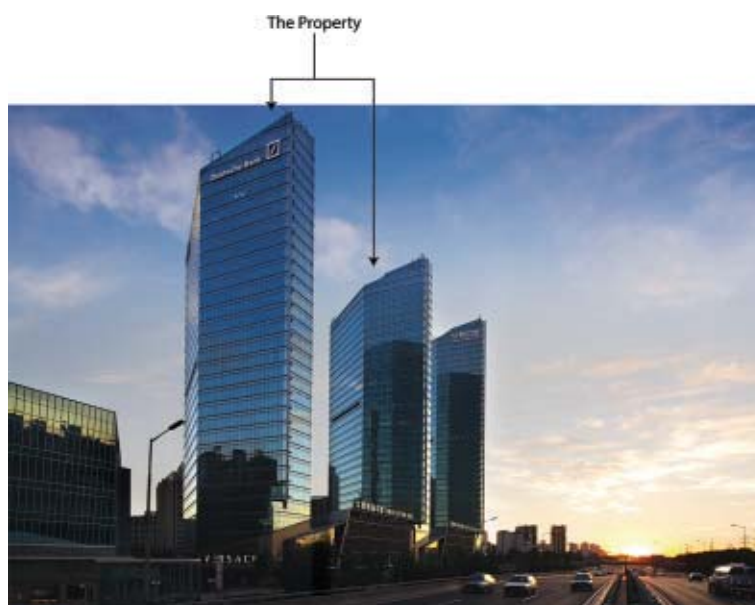

THE PROPERTY AND BUSINESS

OVERVIEW

The Property



Note: The Property does not include Levels 1 to 3 of both Office Tower 1 and Office Tower 2, which are part of China Central Mall.



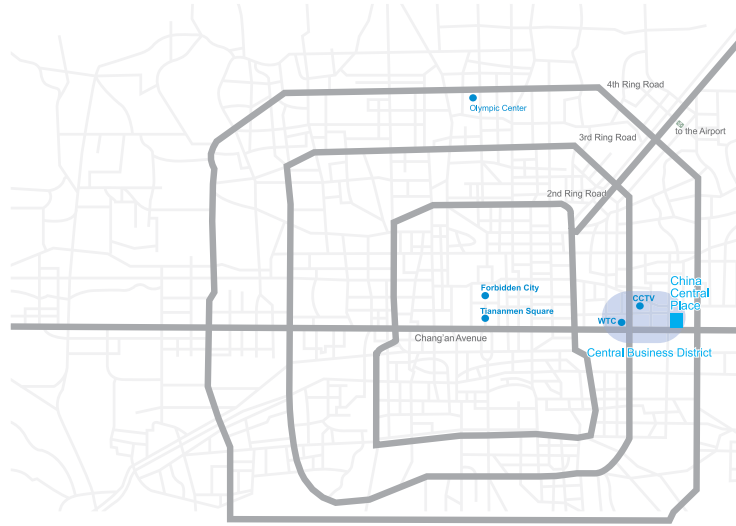
Spring REIT will initially invest in and own the Property through its ownership of RCA01. Spring REIT does not own other parts of China Central Place other than the Property. The Property comprises two Premium Grade office buildings strategically located in the CBD of Beijing. By DTZ's definitions, Premium Grade office buildings form a subset of Grade A office buildings with the highest quality standards of any office building. A Premium Grade office building is distinguished from a general Grade A office building by a number of features, including the location, supply of car parking spaces, building quality and standard of finish, provision and service of elevators and single ownership structure. Offices in Premium Grade office buildings generally command higher unit rents than offices in buildings with lower classifications. The Property is one of the most highly regarded Premium Grade office properties in Beijing. By DTZ's definitions, there are a total of 10 Premium Grade office properties in the CBD of Beijing.

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

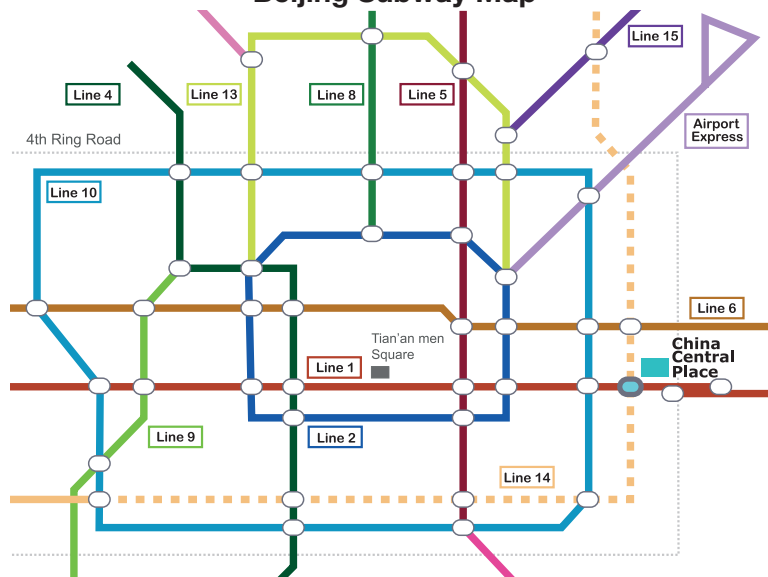
THE PROPERTY AND BUSINESS

buildings. Office Tower 1 has a total of 28 storeys and Office Tower 2 has a total of 32 storeys. Levels 1 to 3 of both Office Tower 1 and Office Tower 2 are part of China Central Mall, which is not owned by RCA01. The equipment and emergency shelter floors on Level 16 of Office Tower 1 and Level 20 of Office Tower 2 are used exclusively for the purpose of storage of equipment that service the office towers and as emergency shelter during natural and other disasters. The Property has a total of 120,245 sq.m. of office space and a total of 25,127 sq.m. of car parking spaces. Construction of the Property commenced in March 2004 and was completed in December 2006.

Location of China Central Place



Beijing Subway Map



Note: Subway Line 14 is currently under construction and is expected to be completed in 2015

The Property is located in the southeast corner of Beijing's traditional CBD and the central core area of the expanded CBD. It is bordered on the east by the Fourth Ring Road (東四環路) and exits directly onto Chang'an Avenue (長安街)/Jianguo Road (建國路) in front of the Property. Chang'an Avenue (長安街)/Jianguo Road (建國路) is the main east-west artery in Beijing. Along the west, the Property is bordered by West Dawang Road (西大望路), a six-lane thoroughway, which runs north-south between mostly residential neighborhoods.

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The CBD is traditionally a hub for international business and activities and home to the PRC headquarters of many Fortune 500 companies and multi-national corporations. The Property has direct access to Subway Line 1 Dawanglu Station through the shopping mall in the underground, and will also be directly connected to Subway Line 14, construction of which is expected to be completed in 2015. The Property's strategic location allows tenants and visitors to avoid the heavy traffic congestion in the China World Trade Center intersection in the center of the traditional CBD and at the same time enjoy convenient accessibility to public transportation facilities.

The REIT Manager believes that the design and facilities of the Property are among the highest quality of any office building in Beijing. During the construction of the Property, international architects and engineering consultants were engaged to provide input on the construction quality and design of the Property. The Property features a card access security control system and each of the two buildings is equipped with 12 high-speed passenger lifts to service the office areas and two passenger lifts for changeover to four underground levels.

The Property, together with Office Tower 3 at China Central Place, has won numerous awards, including:

- Top 20 Office Buildings in China jointly by www.funxun.com (“房訊網”), China Office Building Industry Association (“中國寫字樓行業協會”) and Nanfeng Think Tank (“南豐智庫”) in 2012;
- Model Business Service Building in Beijing (“北京市商務服務業示範樓宇”) by Beijing Municipal Commission of Commerce (“北京商務中心區總工會”) in 2012; and
- National Construction Decoration Design Award (“全國建築工程裝飾獎”) by China Building Decoration Association (“中國建築裝飾協會”) in 2008.

The REIT Manager believes that one of the key factors behind the success of the Property is the ability to achieve rental income growth by striking a balance between maintaining long-term relationships with anchor and loyal tenants and constantly optimizing the tenant mix. The REIT Manager believes that the Property has been able to attract an improved mix of tenants in terms of their industry and profile due to the Property's premium status and high occupancy rate.

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 10 largest tenants (in terms of Monthly Rental Revenue) contributed approximately 34% of total Monthly Rental Revenue for the month ended June 30, 2013. The 10 largest tenants in terms of Office GFA accounted for approximately 32% of the Total Office GFA as of June 30, 2013.

The Property maintained a very high occupancy rate during the Track Record Period. The average Office Occupancy Rates were 90%, 96%, 96% and 96% for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, respectively.

DTZ expects that the supply of Grade A office space for lease in the CBD will be limited in the next few years and that there will be no supply of Premium Grade offices in the coming two years. Given the limited supply and the current occupancy rate position, DTZ expects that occupancy rate for Grade A offices in the CBD submarket from 2013 to 2016 will remain high at around 97%.

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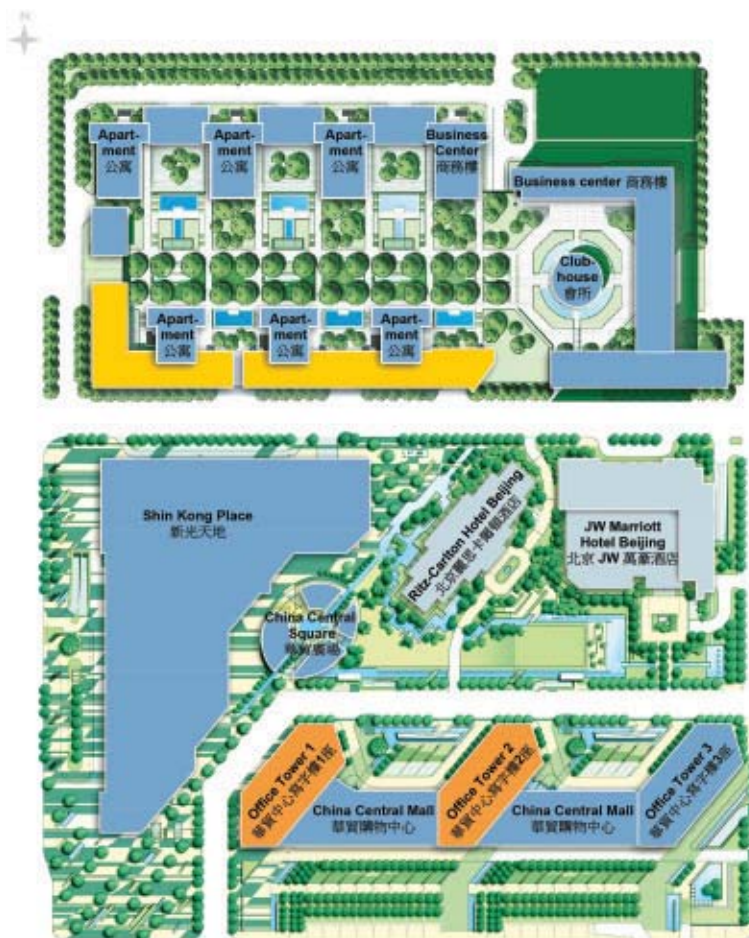
RCA01 acquired the Property from Beijing Guohua, the developer of China Central Place, in 2006. RCA01 holds the Property directly. Since the commencement of operations of the Property in 2007, the Property Manager has been appointed to conduct the day-to-day operation and management of the Property under the Property Management Agreement with supervision from AD Capital's team in Beijing. The Building Manager provides building management services for the Property, including security, cleaning and maintenance services.

Spring REIT, as the ultimate owner of all of the office floors of Office Tower 1 and Office Tower 2, through RCA01, has the exclusive right to appoint a building manager to manage all building management matters for the office floors of Office Tower 1 and Office Tower 2. The use and control of the Property is not subject to constraints imposed by the developer of China Central Place, Beijing Guohua, or the owners of the other parts of China Central Place, who, to the best knowledge of the REIT Manager, and after due and careful enquiry, are Independent Third Parties. Therefore, Spring REIT will have full autonomy and influence over matters relating to the property management of the office floors for the Property. Spring REIT also possesses rights of access to all areas of these office floors and to all common areas and service areas required for the management of these office floors. While Spring REIT has the sole discretion to use and control the Property, free from any encumbrances, Spring REIT is restricted by the covenants and security under the Term Loan Facility Agreement and related security agreements, which the REIT Manager believes to be customary for real estate financings, covenants in loan agreements and security agreements. For more details of the covenants that RCA01 is subject to under the Term Loan Facility Agreement, please see the section headed "Management's Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness" in this Offering Circular.

China Central Place



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Spring REIT does not own other parts of China Central Place other than the Property. However, the REIT Manager considers that one of the most important features of the Property is that it forms part of China Central Place, a prime mixed-use development complex in Beijing. China Central Place comprises (i) three Premium Grade office buildings; (ii) Shin Kong Place, one of the largest department stores in China by sales, and other shopping areas in China Central Mall, China Central Square and China Central Commercial Street, (iii) two five-star luxury hotels, The Ritz-Carlton Hotel Beijing and JW Marriott Hotel Beijing, and (iv) residential and serviced apartment buildings and a clubhouse. The office buildings and shopping malls in the complex are inter-connected in the underground, and are directly connected to the Beijing Subway, allowing users to reach buildings in the complex and the Beijing Subway without exiting the complex. The REIT Manager believes that the Property benefits from the synergies between the different components of the complex. The four components of China Central Place (office towers, shopping malls, hotels and residential complexes) complement each other and create a community with comprehensive facilities and services, which significantly enhances the business activities and daily life of the Property's office tenants. The prime status of China Central Place also reinforces the positioning of the Property as a leading Premium Grade office development in Beijing's CBD and helps to promote the business of the Property. The REIT Manager believes the synergies between the different components of China Central Place and its prestige status are that key contributing elements in the success of the Property.

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China Central Place is widely recognized as a shopping landmark in Beijing, primarily owing to Shin Kong Place, one of the largest department stores in China by sales. It houses numerous leading international and local fashion, beauty and lifestyle brands. It has a large upscale food court in the underground level as well as several other high-end restaurants in other floors, providing a wide variety of high quality eating options. Exhibitions and other cultural activities are regularly held in the event hall in Shin Kong Place drawing footfalls and promoting the shopping experience. With the combination of a world-class shopping experience and a wide variety of leisure activities as well as food and beverage options, Shin Kong Place has become one of the most popular shopping and leisure destinations in Beijing. Apart from Shin Kong Place, China Central Place also has other retail sections, including the China Central Mall, China Central Square and China Central Commercial Street.

The Ritz-Carlton Hotel Beijing and JW Marriott Hotel Beijing, both five-star luxury hotels, have a total of approximately 900 guest rooms and 20 function rooms and conference rooms. The two hotels complement the business and commercial activities of users of the complex, in particular the tenants of the Property.

China Central Place has received numerous awards, including Asia Pacific Real Estate Award – Urban Design of the Year by Asiacre.com in 2006 and China Intensive Urbanization Model Case (中國集約型城市化典範案例) by China International Urbanization Development Strategy Research Committee (中國國際城市化發展戰略研究委員會) in 2011.

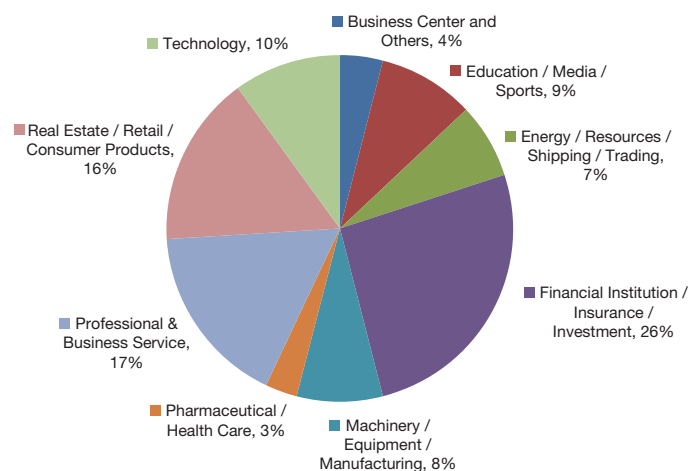
THE PROPERTY

Tenant Profile

As of June 30, 2013, the Property was leased to 125 tenants under 174 leases.

The Property has a diverse tenant base. The chart below provides a breakdown of the mix of the office tenants of the Property by industry sector as a percentage of Leased Office GFA as of June 30, 2013.

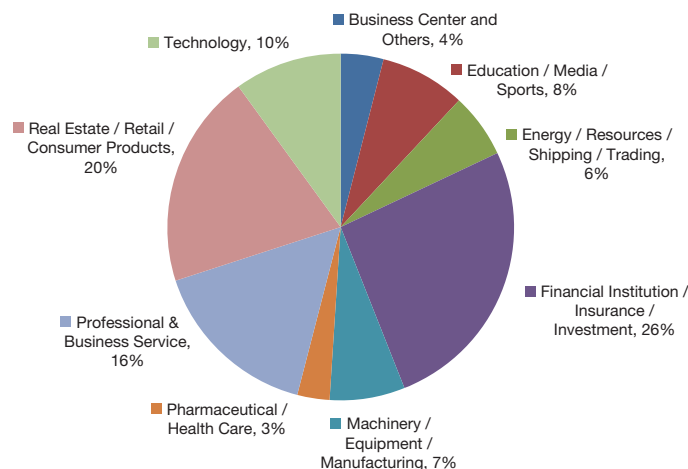
Tenant Mix by Industry (as a percentage of Leased Office GFA)



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The chart below provides a breakdown of the mix of office tenants of the Property by industry sector as a percentage of Monthly Rental Revenue for the month ended June 30, 2013.

Tenant Mix by Industry (as a percentage of Monthly Rental Revenue)



The five largest tenants of the Property in terms of Office GFA accounted for 21.5% of the Total Office GFA as of June 30, 2013.

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</u> <u>Total Office</u> <u>GFA</u> <i>(%)</i>
Deutsche Bank and its affiliated companies	November 2013 ⁽¹⁾	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
Total		<u>25,794</u>	<u>21.5</u>

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.

Connected persons of Spring REIT occupied approximately 9.2% (0.6% by the REIT Manager Connected Persons Group and 8.6% by the Trustee Connected Persons) of the Property's Total Office GFA and contributed 9.3% (0.6% by the REIT Manager Connected Persons Group and 8.8% by the Trustee Connected Persons) of total Monthly Rental Revenue for the month ended June 30, 2013.

Each of these leases has been transacted on normal arm's length commercial terms.

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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⁽¹⁾</u>	<u>Average Unit Rent of New/Renewed Leases⁽²⁾</u>	<u>Average Leased Unit Rent⁽³⁾</u>
	(%)	(RMB)	(RMB)
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.

Expiration and Renewals

Lease terms for the lease agreements relating to the Property are generally approximately three years, which is in line with the general practice in the Beijing property market for office leases.

Tenants generally have an option to renew their leases for an additional term by providing at least six months' prior written notice that they wish to exercise the option to the Property Manager before the expiration of the current leases and entering into a new lease three months before the expiration of the current lease. Tenants are generally deemed to have given up the option to renew if they fail to provide notice or enter into new leases with the Property Manager within the required time. Rent for the additional term is determined through negotiation between the tenant and the Property Manager (on behalf of RCA01), and in accordance with the then prevailing market standard. The lease agreements do not generally give tenants the right to terminate their leases prior to their scheduled expiration dates, except in limited situations such as when there are major defects in the leased premises either on handover to the tenant or that arise during the course of the lease term and are not corrected within a reasonable time.

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The following table sets forth details of expirations in respect of leases as of June 30, 2013 which are scheduled to take place during the periods indicated:

Period	Office GFA of Leases	Expiring Leases as a	Average Unit Rent for
	Expiring	percentage of Leased	Leases Expiring ⁽¹⁾
	(sq.m.)	(%)	(RMB/sq.m.)
2013 (July 1 to December 31) . . .	31,198	28	210.8
2014	35,380	31	249.5
2015	13,396	12	365.2
2016	24,932	22	374.7
2017	8,274	7	307.5
2018	—	—	—

Note:

(1) The average Unit Rent for leases expiring over the relevant period is calculated as the weighted average of the Unit Rent for lease agreements which are expiring during a relevant period.

Valuation

The Appraised Value of the Property as determined by the Independent Property Valuer as of August 31, 2013 was RMB7,747 million.

Information regarding the Title of the Property

RCA01 holds the Property under a land use rights certificate as well as building ownership certificates with land use rights for a term of 50 years expiring on October 28, 2053.

In addition, the PRC Legal Advisor has confirmed that the land use rights and building ownership rights of the Property have been mortgaged to the security agent under the Term Loan Facility. For details on the Term Loan Facility, see the section headed “Financial Information and Forecasts — Management’s Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness” in this Offering Circular. Registration of the mortgage on the building ownership rights of the Property was completed on July 15, 2013, and the registration of the mortgage on the land use rights of the Property was completed on July 25, 2013. Except for the abovementioned mortgages, there are no other mortgage registrations and seizure records relating to the land use rights and building ownership rights of the Property.

Marketing and Leasing Activities

The Property Manager has a dedicated marketing team, which seeks to identify suitable tenants. The REIT Manager and the Property Manager will actively conduct marketing through property agents and advertise the Property through the media such as newspapers and the internet to further increase the awareness of the Property, and explore mutually beneficial marketing opportunities with China Central Place. Leasing agents are regularly updated with information relating to available space.

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Lease Management and Lease Agreements

Lease Management

The Property Manager is 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 a monthly service fee, which equals to 2.0% of the total monthly revenue of the Property, for providing the services as described below.

(i) *Lease management services.* The Property Manager is authorized to identify tenants and enter into lease agreements in the capacity as an agent of RCA01. The Property Manager is required to seek the prior approval from RCA01 before entering into any lease agreements which modify any provision of the standard lease agreements. The Property Manager submits a report to RCA01 monthly or upon request, summarizing the rental income, new lease agreements entered into, leases terminated and other important items each month. In the lease agreements, it is clearly indicated that the Property Manager is entering into the agreement as an agent of the owner of the Property, RCA01, and that it has obtained a power of attorney from RCA01 to do so. The PRC Legal Advisor has confirmed that the relationship between RCA01 and the Property Manager is that of principal and agent under the PRC laws, and that RCA01, as the principal of the Property Manager, has the right to directly enforce the lease agreements and hold the tenants liable for any breach of the lease agreements.

(ii) *Building management services.* The Property Manager is authorized to select a competent building manager to provide building management services and supervise the work provided by the building manager. Beijing CCP & Savills Property Services Management Co., Ltd. has been appointed as the building manager for the Property. The Building Manager receives building management fees from tenants directly for its services. In addition, the Building Manager manages leasing for the car parking spaces on behalf of RCA01.

(iii) *Cash management services.* The Property Manager is authorized to collect rents from tenants and transfer the proceeds to an account designated by RCA01, manage the account books and records, arrange payments for costs and expenses concerning the operation of the Property out of the operating account and transfer the funds to the designated offshore account, which shall be under the supervision of the REIT Manager. The Property Manager provides the cash flow statements of the Property and reports the actual revenues and expenditures of the Property to RCA01 at the end of each month. Tenants are required to deposit all payments under their lease agreements into the account designated by RCA01. The Property Manager is contractually prohibited under the account control agreement entered into in relation to the Term Loan Facility from unilaterally withdrawing funds from the account without the approval of the facility agent under the Term Loan Facility even though the account is under its name and the Property Manager acknowledges that it has no right, title or interest in or to the funds in such account. The PRC Legal Advisor has confirmed that RCA01, as the principal of the Property Manager, has full legal rights over the funds in the account managed by the Property Manager, and even in the bankruptcy proceedings of the Property Manager, creditors of the Property Manager have no claims against funds in bank account managed by the Property Manager on behalf of RCA01. The Trustee will have appropriate control and oversight of the funds in the bank accounts of RCA01 maintained in the PRC.

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Lease Agreements

After entering into a lease, tenants of the Property are required to provide a security deposit which amounts to the sum of approximately three months' rent and three months' building management fee. Security deposits are unsecured and do not bear interest. Tenants are generally required to pay their monthly rent in advance. Consistent with market practice, rent-free periods, typically one to three months for a lease term of three years, are commonly granted on leases.

Under the leases, tenants are normally responsible for payment of outgoings including utilities and the fees of the Building Manager. Tenants are generally also responsible for repairing, and the payment of all other expenses relating to, the interior decoration of the premises, while the Property Manager on behalf of RCA01 is generally responsible for repairing the public facilities and main structure. In the event that the premises are rendered unfit for use by force majeure and RCA01 and the relevant tenant fail to reach agreement as to performance of the current lease for a prescribed period of time, either the tenant or the Property Manager on behalf of RCA01 may terminate the lease.

Tenants are not permitted to assign or sublet the premises without the written consent of the Property Manager on behalf of RCA01. The lease agreements do not generally give tenants the right to terminate their leases prior to their scheduled expiration dates, except in limited situations such as when there are major defects in the lease premises either on handover to the tenant or that arise during the course of the lease term and are not corrected within a reasonable time. The Property Manager, on behalf of RCA01, has the right to terminate leases upon the occurrence of certain events, such as non-payment of rent or breach of covenants by the tenants. The tenants are required to use the leased premises for the permitted purposes only and otherwise in accordance with all applicable laws and regulations in the PRC.

Renovation and Improvement

The REIT Manager works with the Property Manager to identify the renovation and improvement work necessary to be carried out in each forthcoming year and prepare an annual budget for such renovation and improvement work at the end of every year. As of the Latest Practicable Date, no major maintenance and improvement work had been scheduled.

Five-Year Transaction History

There were no transactions involving a sale or purchase of the Property in the five years immediately preceding the Latest Practicable Date.

Competition

The office property market in Beijing is highly competitive. Principal competitive factors include rental rates, prestige and location of properties, quality of the building, availability of nearby amenities and supply of comparable office space. The Property competes primarily with other Grade A office buildings in Beijing's CBD, including office space in China World Trade Centre Towers Two and Three, Yintai Centre and Kerry Centre. There may be potential competition between the Property and Office Tower 3 in Central China Place, although the REIT Manager believes that having Office Tower 3 in an integrated complex with the Property allows the Property to benefit from certain synergies.

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Insurance

Spring REIT has comprehensive insurance for the Property to meet the requirements under the Term Loan Facility, which the REIT Manager believes to be superior to the industry practice in Beijing. This includes property all risk insurance, business interruption insurance and public liability insurance. There are no significant or unusual excess or deductible amounts required under such policies. There are, however, certain types of risks that are not covered by such insurance policies, including losses resulting from nuclear contamination and infectious or contagious diseases.

Litigation

To the REIT Manager's knowledge, none of Spring REIT, the REIT Manager, the Directors, the Property Manager, the Building Manager or RCA Fund is currently involved in any material litigation, arbitration or legal proceeding, nor is there any material litigation, arbitration or legal proceeding currently threatened against any of them.

As of the Latest Practicable Date, there had not been any material delinquency in the collection of the rental in respect of the Property and there was no pending action relating to claims of unpaid rental.

Legal and Regulatory Compliance

The REIT Manager has been advised by the PRC Legal Advisor that RCA01 has obtained all relevant approvals, permits, licenses and certificates for its holding of the land use rights and the building ownership rights over the Property and for it to conduct its current business and that RCA01 has complied with the relevant PRC laws and regulations in all material respects.

The PRC Legal Advisor has also confirmed that there has not been any material violation of laws applicable to the development, holding and operation of the Property by RCA01 other than the filing of 18 lease agreements that have not yet been completed as required by the PRC laws. However, the PRC Legal Advisor has confirmed that there is no adverse impact related to the non-completion of the filing of these 18 lease agreements.

See Appendix VI to this Offering Circular for the applicable laws and regulations to which Spring REIT will be subject.

Environmental Matters

Spring REIT's operations are subject to various environmental laws. The Property has operated, and going forward the REIT Manager will continue to manage the Property, in compliance with applicable environmental laws and regulations. Neither the REIT Manager nor RCA01 has ever received any fines or penalties associated with the breach of any environmental laws and regulations in relation to the Property.