
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FUTURE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

After the Listing Date, there will be certain changes to Spring REIT's cost structure, level of indebtedness and operations. As a result, the following discussion has been prepared to assist investors' evaluation of the factors which may affect Spring REIT's future results of operations.

Such statements are subject to uncertainties and assumptions, and under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction by Spring REIT, the REIT Manager, the Trustee, the Underwriters, the Listing Agent or any other person that the underlying assumptions will materialize. Investors are cautioned not to place undue reliance on these forward-looking statements.

OVERVIEW

Spring REIT is a real estate investment trust formed primarily to own and invest in high quality income-producing real estate in Asia. Spring REIT will initially invest in and own the Property. The audited financial information of RCA01 set forth in Appendix I to this Offering Circular and the other historical financial information have been prepared based on the historical operations of RCA01. While the sources of revenues of Spring REIT will be similar to those of RCA01, its cost structure after the Listing Date will differ in certain significant respects from the historical cost structure of RCA01. Certain historical costs of RCA01, such as the asset management fee, will no longer be costs of Spring REIT and certain new costs that were not costs of RCA01 historically, such as the REIT Manager's and Trustee's fees and other trust-related expenses, will be costs of Spring REIT going forward.

In addition, in accordance with the Trust Deed, distributions to Unitholders will be determined on the basis of Annual Distributable Income, which is the consolidated audited net profit after tax of Spring REIT and its special purpose vehicles for the relevant financial year adjusted to eliminate the effects of certain significant adjustments, as more specifically described in the section headed "Distribution Policy" in this Offering Circular.

Thus, for these and other reasons described below, historical net profit after tax of RCA01 should not be treated as comparable to Annual Distributable Income.

Further, the presentation format of Spring REIT's financial information may differ from that of the audited financial information set forth in Appendix I to this Offering Circular. Set forth below are details of the primary income items and other financial statement items of RCA01 that may be affected by the Global Offering and the issuance of Units to RCA Fund in exchange for all of the issued RCA01 Shares pursuant to the Reorganization Agreement. Please refer to the section headed "Material Agreements and Other Documents Relating to Spring REIT—Reorganization Agreement" in this Offering Circular for further details of the Reorganization Agreement.

SIGNIFICANT ACCOUNTING POLICIES TO BE ADOPTED BY SPRING REIT

Significant policies are those that are expected to have a significant impact on the reporting of financial condition and results of operations and require management to make estimates and judgments that affect the reported results. These estimates are evaluated on an ongoing basis, based on historical experience, information that is currently available and various assumptions that management believes are reasonable under the circumstances.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FUTURE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Actual results may differ from these estimates under different assumptions or conditions. Due to the different legal, financial and operating structure of Spring REIT compared to RCA01's operations, Spring REIT will adopt certain accounting treatments that will differ in certain respects from those used in preparing the audited financial statements of RCA01. Based on the provisions of the Trust Deed, the REIT Manager expects to adopt significant accounting policies materially similar to those adopted by RCA01 as set out in Note 2 of the Accountant's Report set out in Appendix I to this Offering Circular. Significant accounting policies will require the most significant judgments and estimates in the preparation of Spring REIT's consolidated financial statements and have the most significant effect on the presentation of Spring REIT's results. In the event of any future changes to Spring REIT's business, Spring REIT may be required to adopt different or additional critical accounting policies which may be similar to those used in the preparation of the financial statements of RCA01.

ADDITIONAL COST ITEMS

Spring REIT will incur fees and expenses associated with the REIT structure that were not previously incurred by RCA01 in respect of the Property. Set out below are certain such additional cost items.

REIT Manager's Fees

Under the Trust Deed, the REIT Manager will receive:

- (a) from the Listing Date, a Base Fee of 0.4% per annum of the Deposited Property, calculated quarterly as of the close of business on the last Business Day of each calendar quarter, and allocated rateably for any partial periods and payable quarterly in arrears within 15 calendar days after the end of each respective calendar quarter during the term of Spring REIT; and
- (b) from the Listing Date a Variable Fee of 3.0% per annum of the Net Property Income (before deduction therefrom of the Base Fee and the Variable Fee) of Spring REIT.

The REIT Manager currently intends to elect to receive 80% of the REIT Manager's fee for 2013 and 2014 in the form of Units. The issuance of Units to the REIT Manager as all or part of its compensation will result in dilution to the Unitholders, including the amount of distributions per Unit. The Base Fee and the Variable Fee, whether paid in cash or in Units, will be treated as an expense item in the income statement. When the Base Fee and the Variable Fee are paid in the form of Units, it will be an adjustment item that will be added back to the net profit after taxation for purposes of calculating the Annual Distributable Income. For further information on these arrangements and a detailed description of the Base Fee and the Variable Fee, see the section headed "The REIT Manager — Fees, Costs and Expenses of the REIT Manager" in this Offering Circular.

Acquisition Fee and Divestment Fee

In addition to the Base Fee and the Variable Fee, under the Trust Deed, the REIT Manager is also entitled, with effect from the Listing Date, to receive an acquisition fee not exceeding 1.0% (and being 1.0% as of the date of the Trust Deed) of the acquisition price of any real estate in the form of land acquired, directly or indirectly, by Spring REIT. The acquisition fee will be paid to the REIT Manager in the form of cash or, at the election of the

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FUTURE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

REIT Manager, entirely in the form of Units or partly in cash and partly in the form of Units. Further, the REIT Manager is entitled to receive, with effect from the Listing Date, a divestment fee not exceeding 0.5% (and being 0.5% as of the date of the Trust Deed) of the sale price of any real estate in the form of land sold or divested, directly or indirectly, by Spring REIT. The divestment fee will be paid to the REIT Manager in the form of cash or, at the election of the REIT Manager, entirely in the form of Units or partly in cash and partly in the form of Units. For further information on these arrangements and a detailed description of the Base Fee and the Variable Fee, see the section headed "The REIT Manager — Fees, Costs and Expenses of the REIT Manager" in this Offering Circular.

Trustee's Fees

Spring REIT's costs will also include the Trustee's Fee which will be calculated and paid semi-annually or quarterly as an ongoing fee of not more than 0.025% per annum of the value of the Deposited Property with reference to the unaudited management accounts of Spring REIT for the relevant quarter (which may be increased up to a maximum of 0.06% per annum of the value of the Deposited Property) subject to a minimum of RMB56,000 per month. In addition, Spring REIT will also pay the Trustee a one-time inception fee of HK\$180,000. For further information regarding these arrangements, see the section headed "The Trust Deed — Trustee's Fee" in this Offering Circular.

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 acquisitions or divestments of investments by Spring REIT after the IPO.

LIQUIDITY AND CAPITAL RESOURCES

Upon completion of the Global Offering, net cash received from the operations of the Property will be Spring REIT's primary source of liquidity to fund cash distributions to the Unitholders, debt servicing, repairs and maintenance and other recurring operating and capital costs. Where appropriate, Spring REIT may also seek to issue further Units and debt securities and incur external borrowings (under the REIT Code, Spring REIT is only allowed to borrow up to 45.0% of total gross asset value), particularly in relation to any proposal to acquire further properties. The issue of additional equity or equity-linked securities may result in additional dilution to Unitholders.

The REIT Manager will only seek to incur capital expenditures or other expenses that will enhance the Property to improve the yield or long-term value of the Property, either by improving rental rates or occupancy rates or otherwise increasing the total rentable area of the Property. Such enhancements should both increase the cash flows from the Property and the value of the Property, which may allow the REIT Manager further flexibility to borrow in accordance with the REIT Code.

The Property Consultant's building condition survey report prepared by Nikken Sekkei set out in Appendix V to this Offering Circular includes a summary of cost estimates for remedial works as detailed and the ten-year forecasts of maintenance and capital expenditure.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FUTURE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As of June 30, 2013, RCA01 did not have any contractual commitments or obligations to make any capital expenditures.

WORKING CAPITAL STATEMENT

Taking into consideration the financial resources available to Spring REIT, including its internally generated funds, the Term Loan Facility and the estimated net proceeds of the Global Offering, the REIT Manager believes that Spring REIT has sufficient liquid assets to meet its working capital and operating requirements for the 12 calendar months following the date of this Offering Circular.

NO MATERIAL ADVERSE CHANGE

The REIT Manager confirms that, having performed reasonable due diligence on Spring REIT and RCA01, there has been no material adverse change in Spring REIT's and RCA01's financial or trading position or prospects since June 30, 2013, which is the end of the period covered by the Accountant's Report set out in Appendix I to this Offering Circular.