

## MISCELLANEOUS :: ROADSHOW PRESENTATION

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*\* Asterisks denote mandatory information*

<b>Name of Announcer *</b>	FORTERRA REAL ESTATE PTE. LTD.
<b>Company Registration No.</b>	201003233M
<b>Announcement submitted on behalf of</b>	FORTERRA TRUST
<b>Announcement is submitted with respect to *</b>	FORTERRA TRUST
<b>Announcement is submitted by *</b>	Maria McDermott
<b>Designation *</b>	Company Secretary
<b>Date &amp; Time of Broadcast</b>	10-Sep-2013 09:36:06
<b>Announcement No.</b>	00009

## &gt;&gt; ANNOUNCEMENT DETAILS

*The details of the announcement start here ...*

<b>Announcement Title *</b>	Roadshow Presentation
<b>Description</b>	Management is currently conducting a non-deal roadshow with representatives of the Nan Fung Group to provide an update of recent corporate developments of the Trust. Please refer to the attached document for details of the presentation.
<b>Attachments</b>	<p><a href="#">📄 Nan_Fung_Forterra_Roadshow_Sept_2013.pdf</a></p> <p>Total size =3397K (2048K size limit recommended)</p>

# Forterra Trust Business Update Presentation

September 2013

**Forterra**  
富达来

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Certain statements in this document constitute “forward-looking statements”. Such forward-looking statements and financial information are based on numerous assumptions regarding the Forterra’s present and future business, and its strategies and the environment in which Forterra will operate in the future. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Forterra, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information.

These forward-looking statements and financial information speak only as at the date of this announcement. Forterra expressly disclaims any obligation or undertaking to release publicly any updates of or revisions to any forward-looking statement or financial information contained herein to reflect any change in Forterra’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other relevant regulatory or supervisory body or agency.

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- 1 Introduction to Nan Fung and Forterra**
- 2 Opportunities Presented by Nan Fung's Ownership**
- 3 Portfolio Update & Financial Results**
- 4 Market Outlook**

# Recent Corporate Developments

- Nan Fung Group became the largest unitholder of Forterra Trust and owner of the Trustee-Manager and Property Manager on 28 Aug 2013 through the completion of acquisitions of
  - 100% of the equity of Oriental Management Services Ltd (as parent company of the Trustee-Manager and Property Manager)
  - 26.90% of the units in issue of the Trust
  - 3.08% of the units in issue secured under put and call options
- Appointment of Mr. Eric Chung and Mr. Vincent Cheung as Non-Independent Non-Executive Directors to the Board to replace Mr. Richard Barrett and Mr. Rory Williams

*“Nan Fung is a well-established property developer in Hong Kong and China with a long and successful history and sound financial strength. As a substantial unitholder of the Trust and 100% owner of the Trustee Manager and Property Manager, Nan Fung will utilise its real estate development capability and investment experience to add value as the Trust seeks to develop and expand its property portfolio in China.*”

*Nan Fung shares Forterra’s vision for quality commercial real estate in major cities in mainland China and Forterra’s strong focus on investment in Shanghai also reflects our longer term ambitions. We believe that Forterra Trust will benefit from Nan Fung’s experience in China real estate, and with the other board members look forward to working closely with Forterra’s management team to grow the Trust and deliver value for all unitholders.”*

*Eric Chung  
Director of the Board  
Managing Director, Nan Fung Development*

# Nan Fung Group Overview

- Nan Fung Group has successfully transformed from a local textile manufacturer to an international business conglomerate with strong credit history of almost 60 years
- Over 47 years solid experience in real estate development in Hong Kong and 20 years in China
- Fully integrated property development and management capabilities over land acquisition, property development and construction, sales and leasing and property management
- Owns and manages a portfolio of quality residential, commercial and industrial properties in Hong Kong, China and overseas
- Close working relationships with reputable property developers in Hong Kong and China
- Has a significant and well diversified financial investment portfolio providing strong liquidity buffer and stable recurring income
- Investment grade credit rating (Nan Fung International Holdings Limited)

Moody's	S&P	Fitch
Baa3	BBB-	BBB

# Nan Fung - Long History of Success of Over 50 Years

*With a Track Record of Over 150 Projects Completed*

Nan Fung has expanded to become one of the leading multi-disciplinary conglomerates and major developers in Hong Kong, with a strong credit history

1954      1970      1978      1993      1999      2007      2010      2011      2012      2013

**Nan Fung Textiles Limited**

Founded by Dr. Chen Din Hwa



Nan Fung Textiles Consolidated Limited was **one of the earliest companies listed on the HK stock exchange**

In 1989, it was subsequently privatized



**Nan Fung Sun Chuen**

Completed one of the largest private residential projects in Hong Kong **with total GFA of 1.6M sq ft; comprising of 12 towers with 2,800 apartments**



Completed its **first** PRC investment in a Tianjin developer, Tifen, which is a developer associated with the Tianjin government



Became the 2nd largest shareholder of Sino Land (0083.HK)\*



Nan Fung and HSBC jointly established **HSBC NF China Real Estate Fund** with initial AUM of US\$710m



Became the 2nd largest shareholder of Sino-Ocean Land (3377.HK)



BCI Asia Awards 2011 and 2012 - **Hong Kong Top Ten Developers Award**

Obtained **Investment Grade rating (Moody's/ S&P/ Fitch)**

**USD 600m Note Issue listed on SGX**

USD1bn MTN Program  
**Finance Asia Achievement Awards 2012 – Borrower of the Year**



Capital – The Best Developer Awards 2012

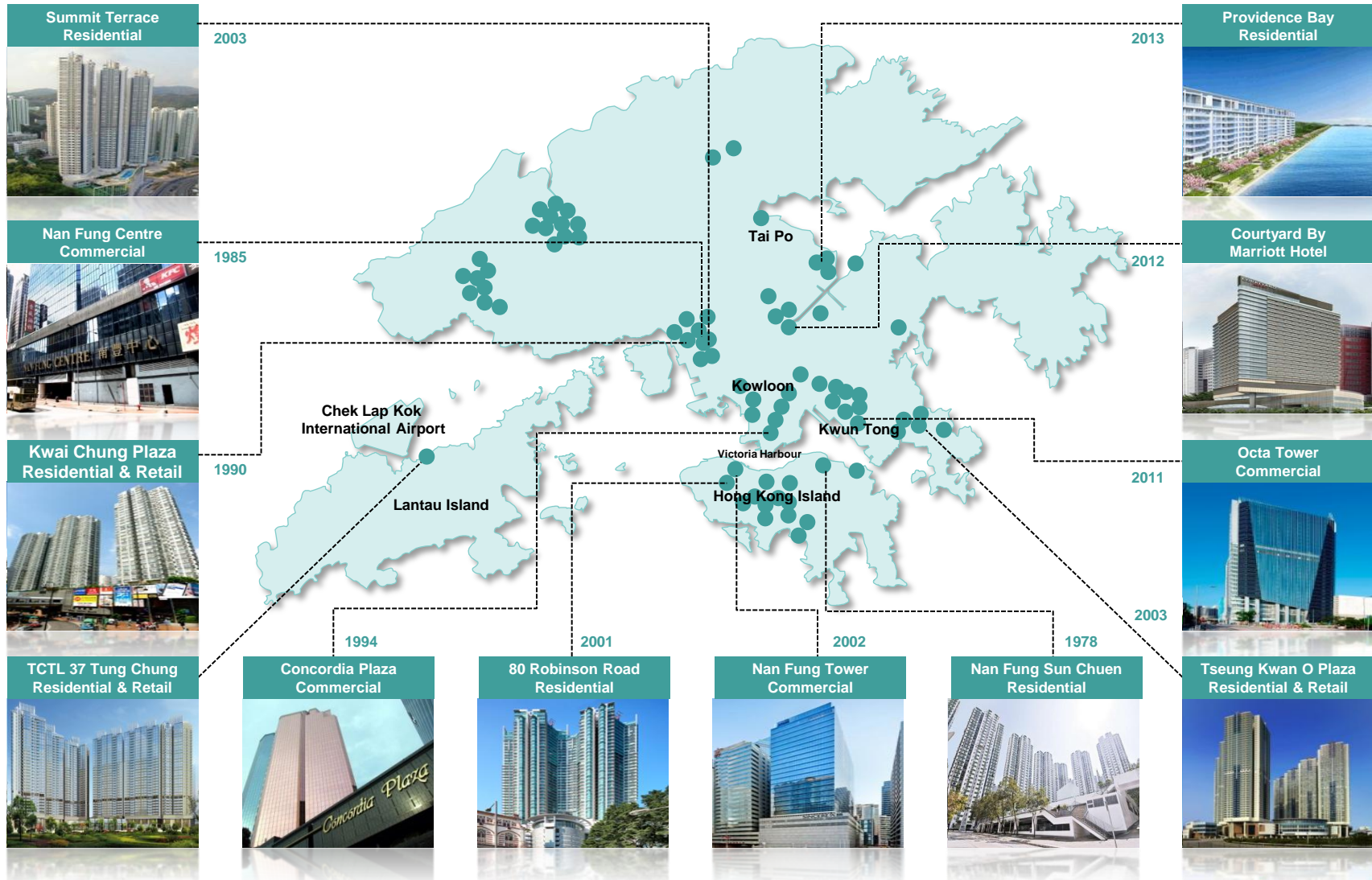
**The Asia Pacific Property and Hotel Awards 2012**

2013 Asia Pacific Awards  
**Best Office Development Hong Kong**



\* Subsequently disposed

# Nan Fung - More Than 150 Developments in Hong Kong



## Nan Fung - Solid Financial Position and Well Capitalised

	Mar-13 (HK\$m)
Investment Properties	21,086
Properties for sale	13,518
Investment in JCE and Associates	15,307
Financial Investment Portfolio	17,748
Cash and Bank Balances	13,718
<b>Total Assets</b>	<b>94,394</b>
Total Debt	14,188
<b>Total Equity</b>	<b>71,233</b>

# Nan Fung - PRC Property Land Bank

Nan Fung Group's GFA<sup>(1)</sup>: 10.5m sq. ft.

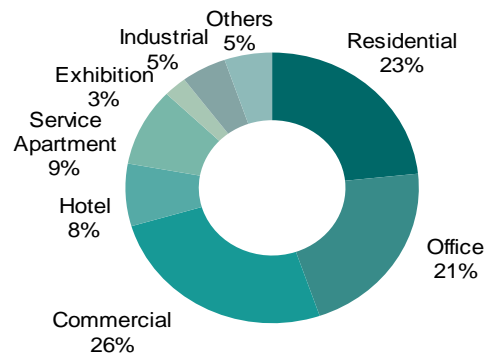
Attributable from Sino Ocean Land<sup>(2)</sup>: 24.5m sq.ft.



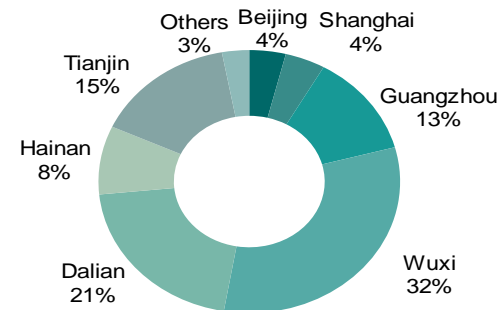
35.0m sq. ft.

Status	*Approx GFA (sq. ft.)	%
Under construction – for sales	5.3mn	50%
Under construction – for leasing	3.5mn	34%
Completed for leasing	1.4mn	13%
Completed for sales	0.2mn	2%
Others	0.1mn	1%
<b>Total Group's GFA</b>	<b>10.5mn</b>	<b>100%</b>

## By Usage



## By Cities



(1) Group's GFA refers to attributable share portion from subsidiaries, associates and JCE (except from SOL) as of 31 March 2013.

(2) The Group's attributable from SOL represents its 11.75% portion of SOL reported land bank as of 31 December 2012.

# Nan Fung - Major Development Properties and Project Pipeline in PRC

*Information updated as of March 2013*

Project Name	Location	Type	Appx. attr. GFA (sq. ft.)
1. The Place	Guangzhou	Office, Commercial	401K
2. Nan Fung International Convention and Exhibition Centre / Langham Place	Guangzhou	Exhibition Centre, Hotel	923K
3. InterContinental Centre Phase 2	Shanghai	Office, Commercial	347K
4. Riverview Project	Shanghai	Service Apartments	104K
5. Mountain Creek	Hainan	Residential	798K
6. Palazzo Del Lago	Wuxi	Residential, Commercial	831K
7. Yansha Commercial Centre	Wuxi	Office, Commercial, Residential	2,516K
8. Grade A Office Tower, CBD	Beijing	Office, Commercial	409K
9. International Logistics Centre	Dalian	Logistic	686K
10. Ocean Diamond Bay	Dalian	Residential, Office, Commercial, Hotel	1,499K
11. Tianjin Tifen JVs	Tianjin, Chengdu	Residential, Office, Commercial, Hotel	1,826K
12. Tesco JV Projects	Qinhuangdao, Fushun, Ansan	Residential, Commercial	192K
<b>Total</b>			<b>10.5 million</b>

\*GFA refer to the Group's attributable portion

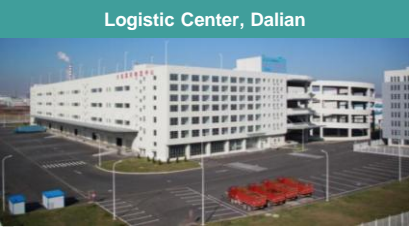
# Nan Fung - High Quality Property Investments in PRC

## Completed rental properties and upcoming rental projects in PRC

Project Name	Location	Type	Appx. attr.GFA (sq. ft.)	Expected Completion Date
<b>(i) Completed</b>				
1. The Place	Guangzhou	Office, Commercial	401K	Completed
2. International Logistics Centre	Dalian	Logistic	600K	Completed
3. Tesco JV projects	Qinhuangdao, Fushun, Ansan	Commercial	75K	Completed
4. Tianjin Tifen JVs	Tianjin, Chengdu	Commercial	303K	Completed
<b>Sub-Total</b>			<b>1,379K</b>	
<b>(ii) Upcoming projects</b>				
5. Nan Fung International Convention & Exhibition Centre / Langham Place	Guangzhou	Exhibition Centre, Hotel	923K	2013
6. InterContinental Centre Phase 2	Shanghai	Office, Commercial	347K	2015
7. Yansha Commercial Centre	Wuxi	Commercial	538K	2016
8. Grade A Office Tower, CBD	Beijing	Office, Commercial	409K	2018
9. Tianjin Tifen JVs	Tianjin, Chengdu	Commercial, Hotel	482K	2015 – 2018
10. Ocean Diamond Bay	Dalian	Office, Commercial, Hotel	681K	2014 – 2020
11. International Logistics Centre	Dalian	Logistic	86K	TBC
<b>Sub-Total</b>			<b>3,466K</b>	
<b>Total</b>			<b>4,845K</b>	

# Nan Fung – Selected Projects

## North China



# Nan Fung – Selected Projects

## East China

Premier Residential Tower, Shanghai



Grade – A Office Tower, Shanghai Zhabei



Palazzo Del Lago, Wuxi

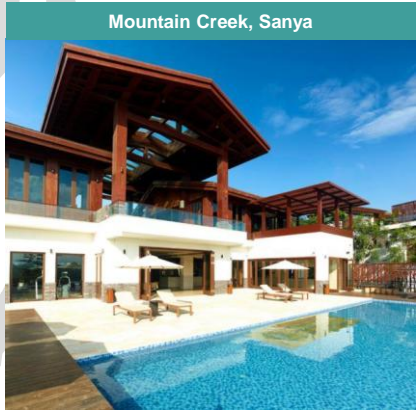


The Place, Yansha - Wuxi



# Nan Fung – Selected Projects

## South China

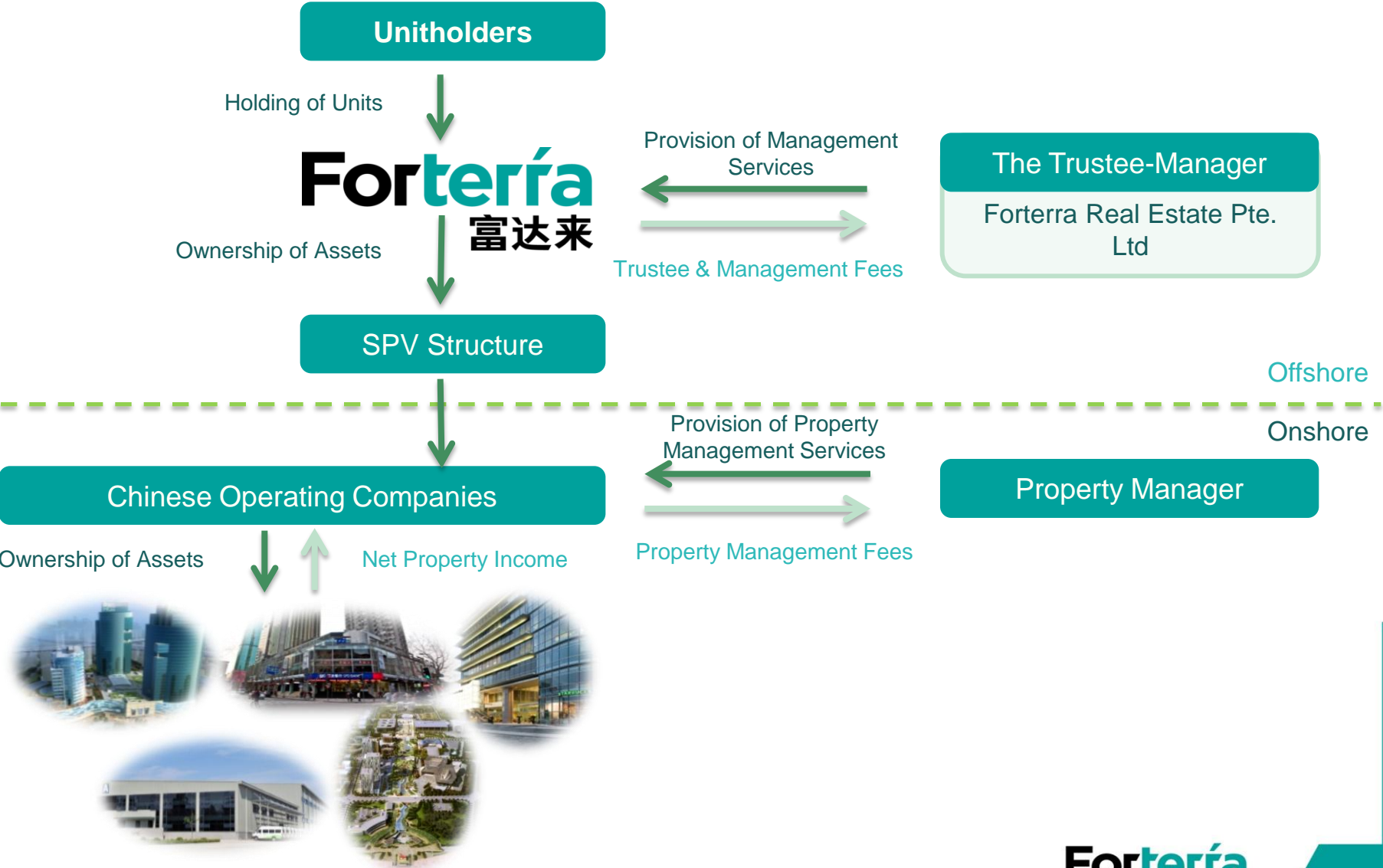


1. Already sold

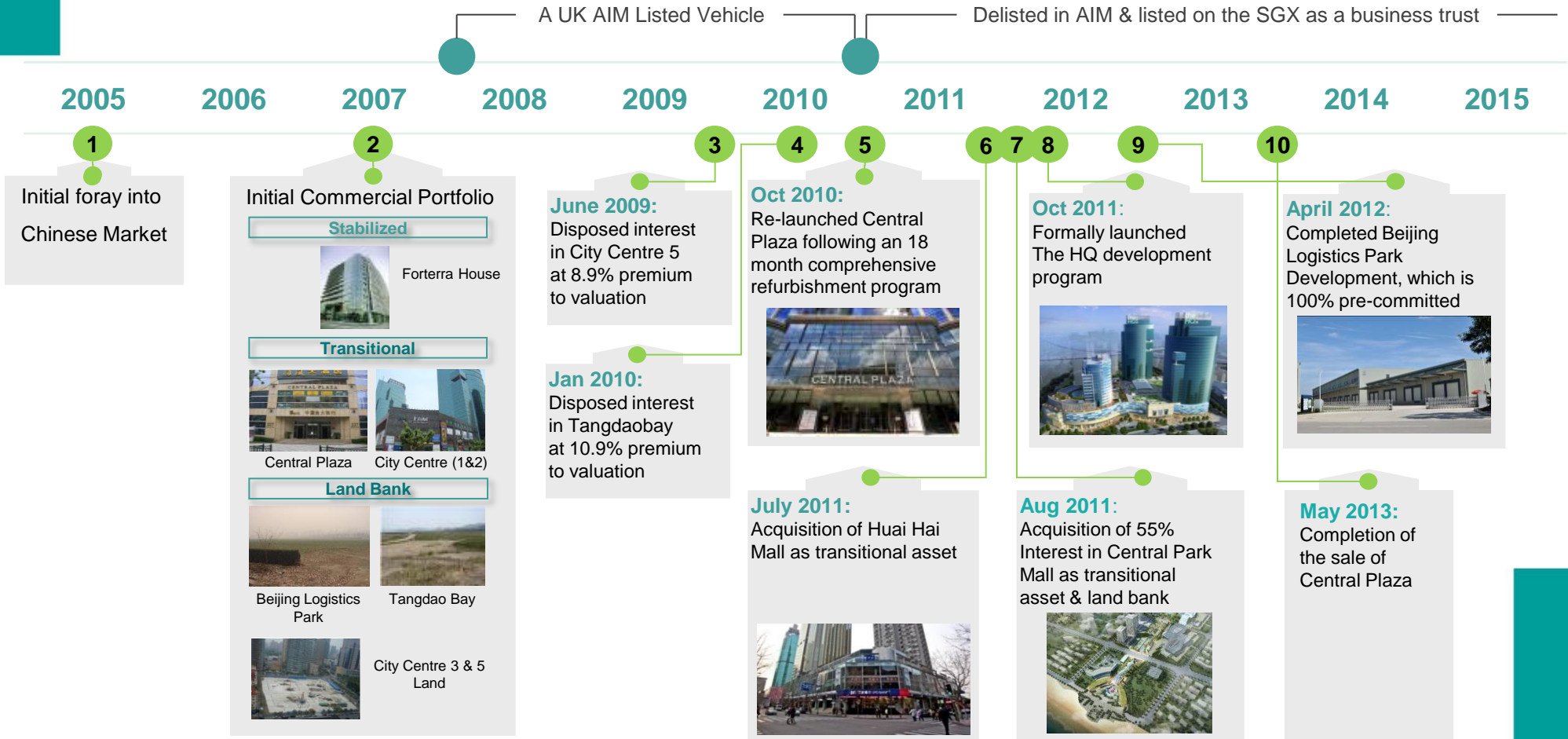
# About Forterra Trust

- Listed in Singapore in June 2010, Forterra Trust is a leading owner, manager and developer of commercial real estate in China.
- With operations headquartered in Shanghai, Forterra has made significant progress in building a high quality retail and office portfolio comprising both income producing and development assets predominantly located in central business district and regional commercial centres in Shanghai.
- Positioned as a “total return vehicle” and listed as a business trust, Forterra features a flexible capital and operating structure
  - Meaningful development cap of 30%
  - Retention of restrictive gearing limit of 45%
  - Distribution policy which is currently 50% of distributable income

# Forterra Trust Structure



# Forterra - Major Milestones



# Forterra - The Shanghai Portfolio

All Forterra's assets in Shanghai are centrally located and easily accessible via metro



- 1 The HQ
- 2 Forterra House
- 3 Huai Hai Mall

# Forterra - A High Quality Property Portfolio

Property	Stabilized Assets		Transitional Assets			Development Assets	
	 Forterra House	 Beijing Logistics Park	 The HQ (Existing)	 Huai Hai Mall	 Central Park Mall (Phase I)	 The HQ (Extension)	 Central Park Mall (Phase II-IV)
<b>Location</b>	Historic French Concession Shanghai	Beijing Airport Logistic Park Beijing	Central Business Area, Hongqiao Shanghai	Huai Hai Road Shanghai	Laoshan CBD Qingdao	Central Business Area, Hongqiao Shanghai	Laoshan CBD Qingdao
<b>Type</b>	Office / Retail	Logistics	Office / Retail	Retail	Retail	Office / Retail	Retail
<b>Total GFA (sqm)</b>	19,643	75,028	188,675 (est.)	7,620	66,160 (est.)	88,541(est.)	250,770 (est.)
<b>Valuation <sup>1</sup> (RMB'000)</b>	726,800	327,000	6,191,000	816,000	669,100	1,910,000	1,366,400
<b>No. of Car Park</b>	74	-	732	-	501	416 (est.)	2,327 (est.)
<b>Committed Occupancy <sup>2</sup></b>	94.81%	100%	94.12% <sup>3</sup>	32.34%	66.33%	n.a	n.a
<b>Major Tenants</b>	<ul style="list-style-type: none"> <li>■ SPX</li> <li>■ Sony Music</li> <li>■ Forterra</li> <li>■ Starbucks</li> <li>■ Bank of Beijing</li> </ul>	<ul style="list-style-type: none"> <li>■ Taobao</li> <li>■ Shunfeng</li> </ul>	<ul style="list-style-type: none"> <li>■ Honeywell China</li> <li>■ Ingersoll-Rand</li> <li>■ ITT Industries</li> <li>■ Casio</li> <li>■ Brother</li> <li>■ Hitachi</li> </ul>	<ul style="list-style-type: none"> <li>■ Bank of Shanghai</li> <li>■ Shanghai Pudong Development Bank</li> </ul>	<ul style="list-style-type: none"> <li>■ Lotte Mart</li> </ul>	n.a	n.a

1. The independent valuation analysis was undertaken by CB Richard Ellis as at 30 June 2013.  
 2. Committed occupancy rate was dated as at 30 June 2013.  
 3. Includes the office component of The HQ Existing only.

# Forterra - Portfolio Valuation

As 30 June 2013 , the real estate portfolio was valued at RMB11.090 billion (S\$2.28 billion<sup>1</sup>), representing 2.5% increase for the 6 months period from 31 December 2012.

Properties (RMB million)	As at 30/06/2013	As at 31/12/2012	% Variance
<b>Stabilized Assets</b>			
Forterra House, Shanghai	727	721	+0.83%
Beijing Logistics Park, Beijing	327	326	+0.31%
<b>Total Stabilized Assets</b>	<b>1,054</b>	<b>1,047</b>	<b>+0.67%</b>
<b>Transitional Assets</b>			
The HQ (Existing), Shanghai	6,191	6,164	+0.44%
Central Park Mall (Phase I), Qingdao	669	665	+0.56%
Huai Hai Mall, Shanghai	816	809	+0.87%
<b>Total Transitional Assets</b>	<b>7,676</b>	<b>7,638</b>	<b>+0.49%</b>
<b>Development Assets</b>			
The HQ (Extension), Shanghai	1,910	1,690	+13.02%
<b>Total Development Assets</b>	<b>1,910</b>	<b>1,690</b>	<b>+13.02%</b>
<b>Land-bank Assets</b>			
Central Park Mall (Phase II-IV), Qingdao	1,366	1,349	+1.30%
<b>Total Land-bank Assets</b>	<b>1,366</b>	<b>1,349</b>	<b>+1.30%</b>
<b>Total Portfolio</b>	<b>12,006</b>	<b>11,724</b>	<b>+2.41%</b>
<b>Total Portfolio reflecting 55% ownership of Central Park Mall</b>	<b>11,090</b>	<b>10,818</b>	<b>+2.52%</b>

Note: The valuation details for Central Plaza as at 31 December 2012 have not been included due to its recent sale

# Forterra Trust's Vision

- Owning, investing in and proactively managing for optimum unitholder return, income-producing real estate used primarily for commercial purposes located in the Greater China region;
- Acquiring, owning, repositioning and developing land, under-performing assets or incomplete developments to be used as commercial real estate located in the Greater China region; and
- Providing proactive management solutions to deliver maximum value that result in either the holding of the properties upon completion or the disposal of the properties on a strategic basis to deliver strong distributable income growth.

## Restatement of 2013 Medium Term Objectives

- Provide consistent recurrent income from lease rental revenue to underwrite stable unitholder distributions no later than 2015
- Significantly reduce the “development asset discount” inherent in Forterra’s unit price; and
- Provide certainty in regard to the ongoing cashflow liquidity of the Trust

- 1 Introduction to Nan Fung and Forterra
- 2 Opportunities Presented by Nan Fung's Ownership
- 3 Portfolio Update & Financial Results
- 4 Market Outlook

# Nan Fung's Contribution to a Board that Remains Majority Independent



Mr. Graham Sugden<sup>1 2</sup>

Chairman & Lead Independent  
Non-Executive Director



Mr. Steven Xu<sup>2</sup>

Deputy Chairman &  
Independent Non-Executive  
Director



Mr. Yoon Wai Nam<sup>2</sup>

Independent Non-Executive  
Director



Dr. Tan Khee Giap<sup>2</sup>

Independent Non-Executive  
Director



Mr. Eric Chung

Non-Executive Director



Mr. Vincent Cheung

Non-Executive Director



Mr. Richard David

Executive Director &  
Chief Executive Officer

1. Chairman of Audit Committee

2. Member of Audit Committee

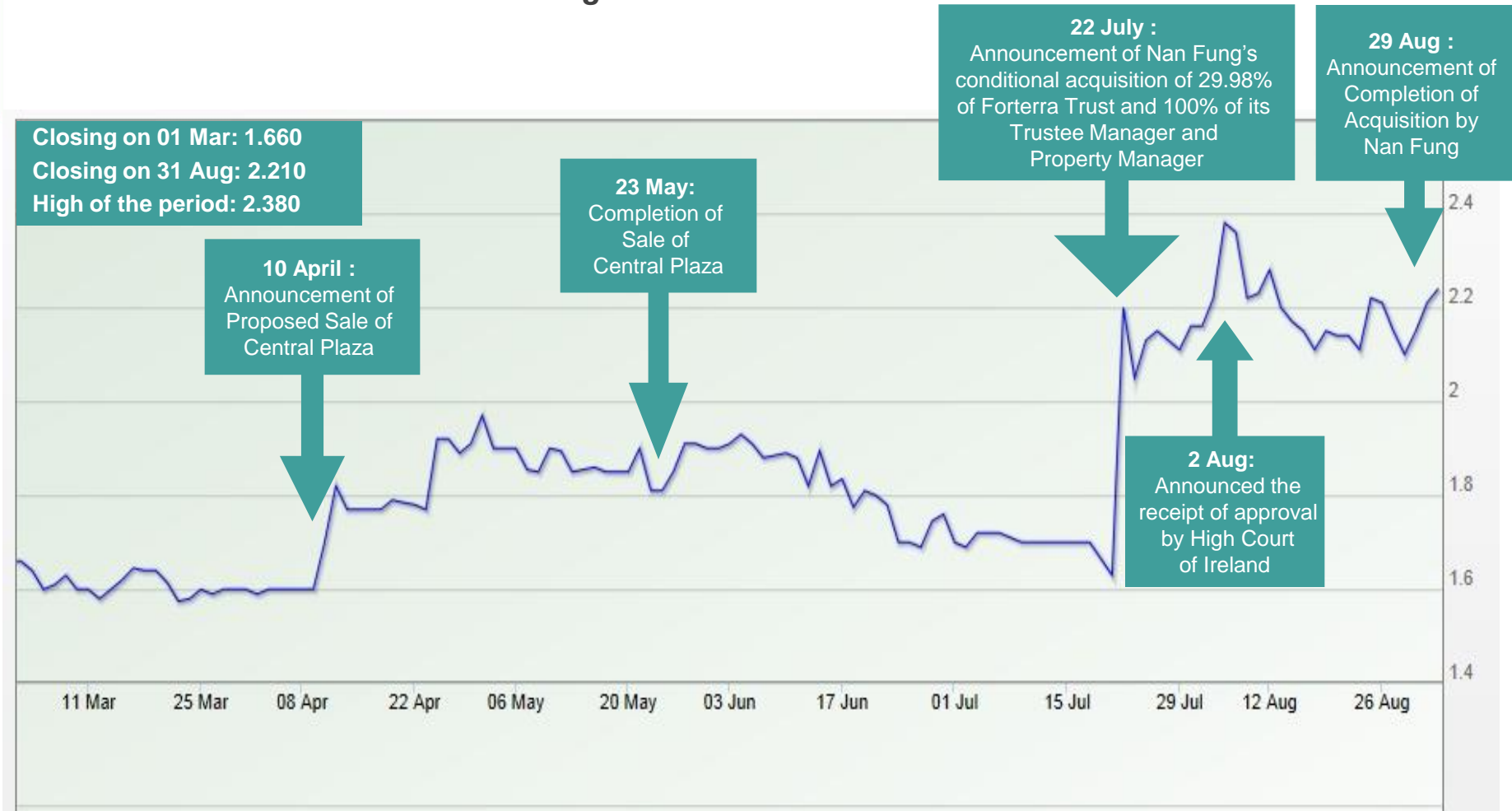
# Opportunities Presented by Nan Fung's Ownership

The quality and strength of the Nan Fung organization provides significant advantages to be enjoyed by the Trust and its Unitholders. The Board intends to review thoroughly the following areas, inter alia, in which ongoing value can be delivered as part of the 2014 business planning process:

- Forterra to leverage Nan Fung's branding, network, relationships and development expertise in Greater China where possible to advance Forterra's business
- Explore co-investment opportunities between Nan Fung and Forterra
- Access to Nan Fung's quality commercial assets and projects in PRC, which could be considered for injection into Forterra on an arm length basis, subject to:
  - Acquisitions delivering accretive and net asset value growth to Forterra's unitholders
  - Approval by Forterra's independent directors and unitholders' approval (where required) and other relevant regulatory requirements

# Unit Price Performance

For the Period from 1 March to 31 August 2013



- 1 Introduction to Nan Fung and Forterra
- 2 Opportunities Presented by Nan Fung's Ownership
- 3 **Portfolio Update & Financial Results**
- 4 Market Outlook

# Highlights of the Period

## *Portfolio Update*

### *Huai Hai Mall*

- Secured a head lease over an additional 3,404sqm of retail space at Huai Hai Mall resulting in the expansion of the total retail GFA to 11,024sqm for a 20 + 10 years lease term

### *Central Park Mall*

- Restructured the original financial acquisition arrangements through successful negotiation of a one-off payment of RMB54.7 million (S\$11.4m), delivering the Trust a short term cashflow saving of circa RMB36.9 million (S\$7.7m) and across the entirety of the restructure represents an outflow saving of RMB18.6 million (S\$3.9m)

### *The HQ*

- The HQ retail podium recorded 56.67% leasing pre-commitment as at 30 June 2013
- The development program for The HQ continues to move forward

### *Central Plaza*

- Successful completion of the sale of Central Plaza to a company affiliated with the Carlyle Group with settlement occurring on 23 May 2013

# Additional Space Secured for Huai Hai Mall

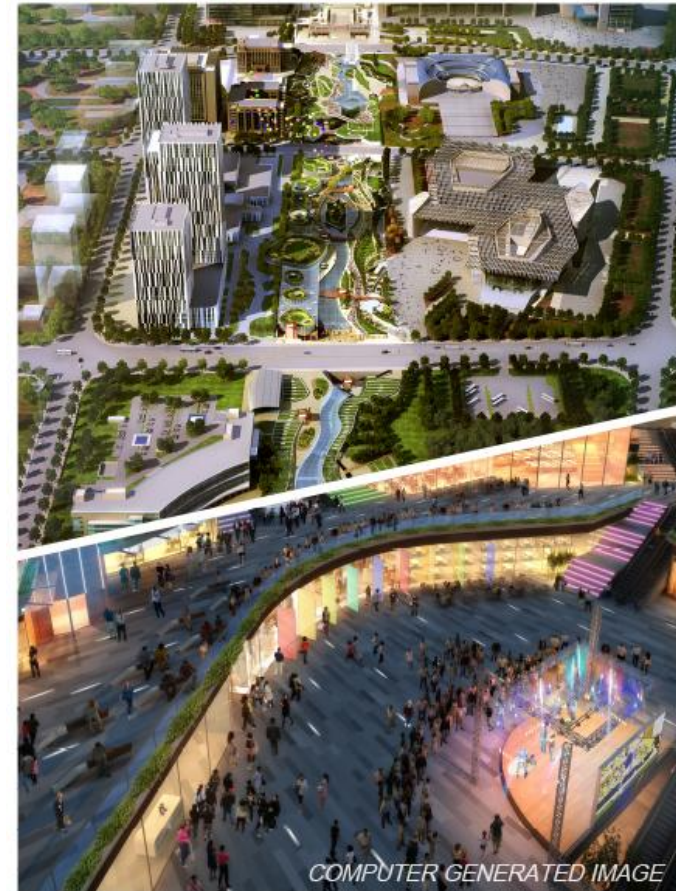
- A head lease agreement signed to secure additional 3,404 sqm of retail space comprising level 4 and 5
- Total retail GFA expanded to 11,024sqm
- Lease term of 20 years with an option at Forterra's discretion for an additional 10 years
- The lease agreement provides Forterra the right to use, redevelop and lease the additional space which will form part of the Trust's refurbishment plans for the property due to commence in 2014



# Update on Central Park Mall

## *Restructure of the Original Financial Acquisition Arrangements*

- Successfully negotiated a one-off payment of RMB54.7million (S\$11.3 m) to TRIO, which was made on 29 Aug 2013 in full satisfaction of:
  - The final RMB78.5million deferred payment;
  - The RMB 36million Convertible Bond, which has been terminated; and
  - The Rent Guarantee, which has also been terminated
- Delivered to the Trust a short term cashflow saving of approx. RMB36.9 million (S\$7.7m) and across the entirety of the restructure represents an outflow saving of RMB 18.6 million (S\$3.9m).



# The HQ

*The Overwhelming Focus for the Short to Medium Term*



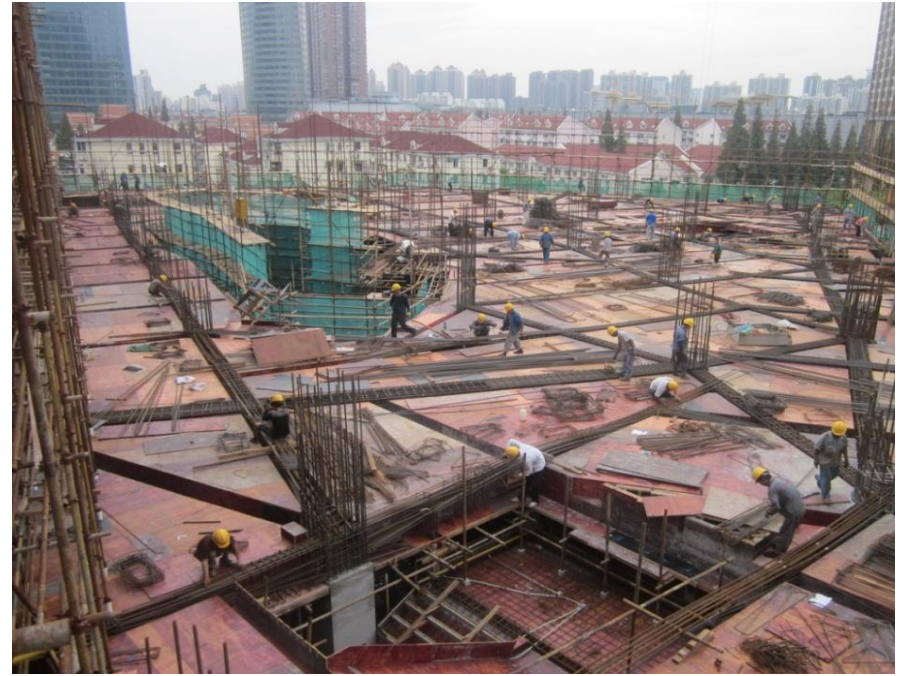
**The HQ1  
Refurbishment  
Progress on  
Schedule**

# The HQ

*The Overwhelming Focus for the Short to Medium Term*



The development program for the HQ3 construction continues to advance



# Completion of Sale Of Central Plaza, Shanghai

- On 23 May 2013, Forterra Trust announced the completion of disposal of Central Plaza.
- In accordance with Circular to Unitholders in relation to this disposal dated 22 April 2013, the sale consideration was US\$266.73 million (equivalent to RMB1.67 billion or S\$333.47 million) and the completion of this disposal has resulted in
  - Realization of the value of Central Plaza approximate to valuation ( 7.9% discount to 31 Dec 2012 valuation of RMB1.813 billion)
  - Strengthening of the financial position of, and provision of financial flexibility to Forterra

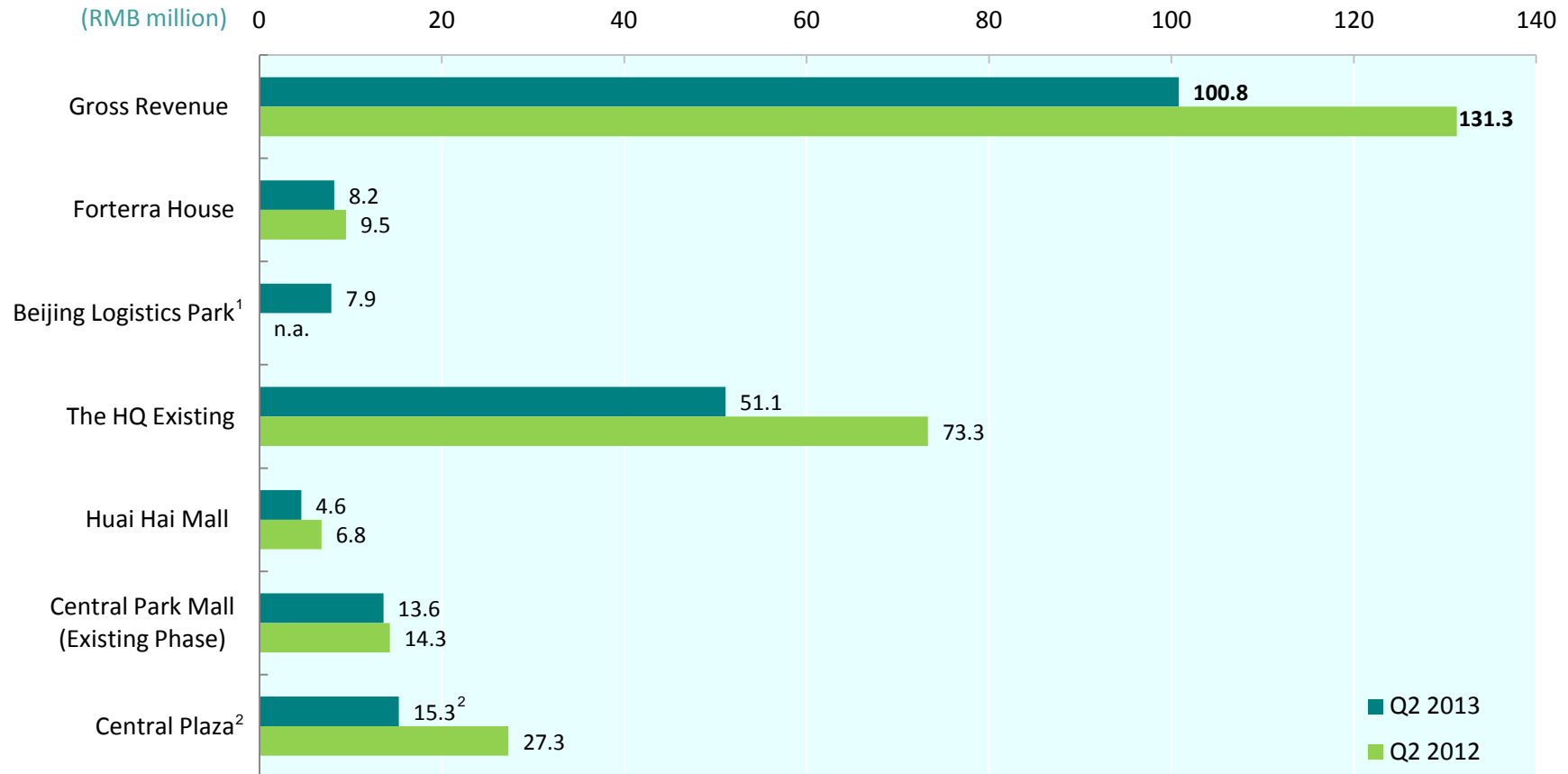


## NPI & EPU Analysis

(S\$'000)	2nd Qtr 2013	2nd Qtr 2012	YTD 2013	YTD 2012
Gross Revenue	20,505	26,433	43,825	52,405
Total Property Operating Expenses	(7,035)	(9,462)	(14,865)	(19,449)
<b>Net Property Income</b>	<b>13,470</b>	<b>16,971</b>	<b>28,960</b>	<b>32,956</b>
Total Profit After Tax Attributable to Trust Unitholders	24,185	17,071	7,244	24,781
<b>Diluted Earnings / Unit (EPU) (cents)<sup>1</sup></b>	<b>9.4</b>	<b>6.7</b>	<b>2.8</b>	<b>9.7</b>

(RMB'000)	2nd Qtr 2013	2nd Qtr 2012	YTD 2013	YTD 2012
<b>Gross Revenue</b>	<b>100,828</b>	<b>131,292</b>	<b>218,640</b>	<b>260,764</b>
Business and Property related Taxes	(11,707)	(16,366)	(26,994)	(31,760)
Property Management Fees	(4,060)	(4,146)	(8,455)	(8,540)
Other Property Operating Expenses	(18,779)	(26,482)	(38,654)	(56,481)
<b>Total Property Operating Expenses</b>	<b>(34,546)</b>	<b>(46,994)</b>	<b>(74,103)</b>	<b>(96,781)</b>
<b>Net Property Income (NPI)</b>	<b>66,282</b>	<b>84,298</b>	<b>144,537</b>	<b>163,983</b>

# Gross Revenue – Q2 2013 vs Q2 2012



1. Beijing Logistics Park reached physical completion in April 2012, no previous comparable available.

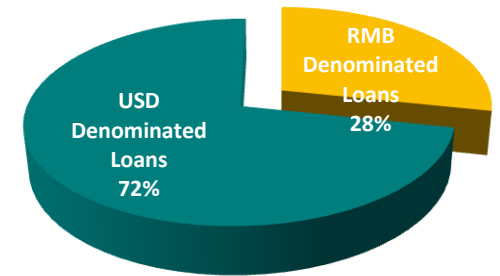
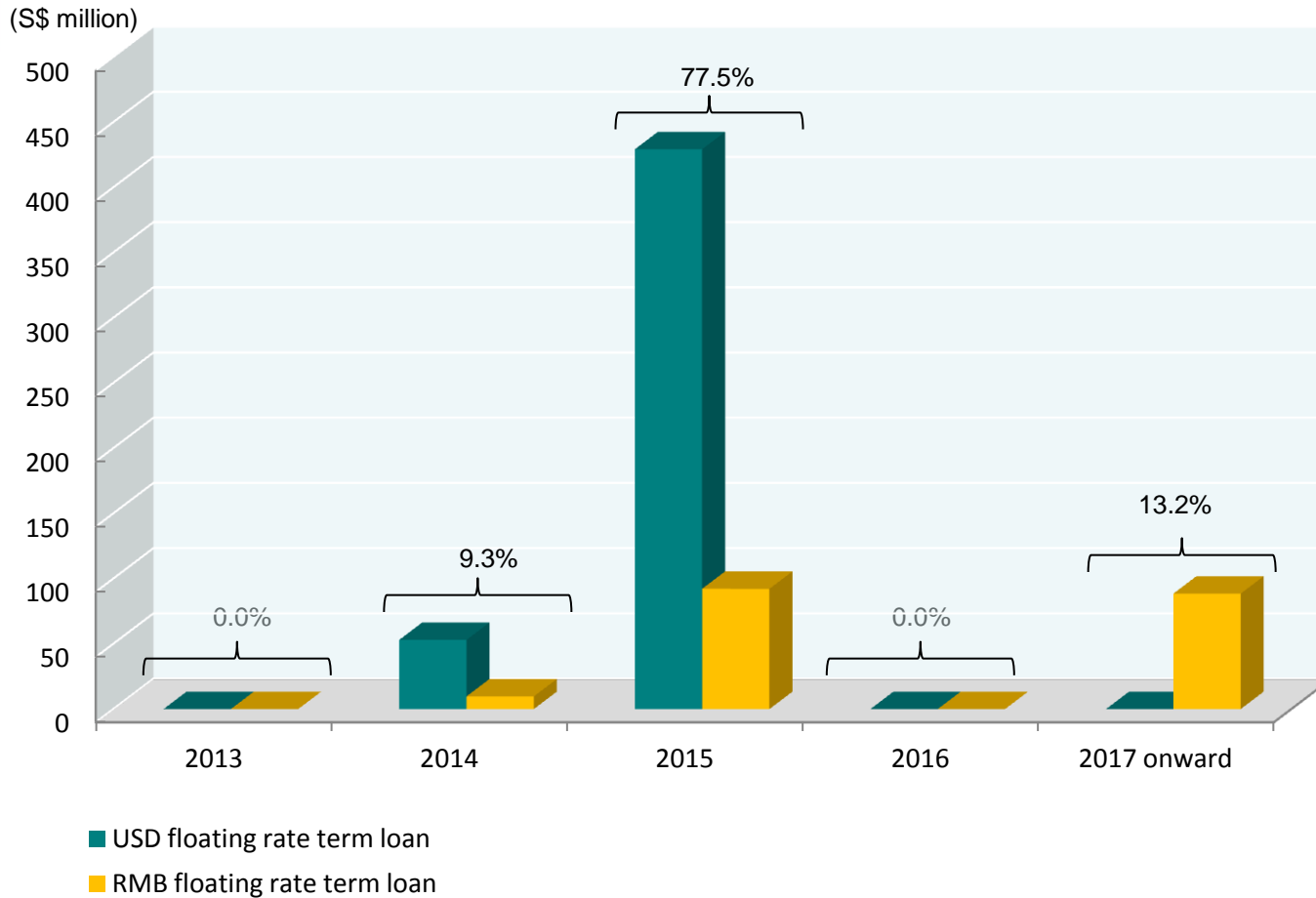
2. The sale of Central Plaza was completed on 23 May 2013 and thus revenue was recorded from 1 April to 23 May 2013.

# Consolidated Balance Sheet of Forterra

(S\$ million, except otherwise stated)

	As at 30 June 2013	As at 31 Dec 2012
Investment Properties	2,402	2,237
Trade and Other Receivables	66	100
Cash & Cash Equivalents	187	42
Assets held for Sale	77	437
<b>Total Assets</b>	<b>2,732</b>	<b>2,817</b>
Bank Loans	728	673
Convertible Bonds	80	75
Derivative Financial Liabilities	1	1
Deferred Tax Liabilities	399	368
Trade Payables and Other Liabilities	101	103
Liabilities held for sale	66	340
<b>Total Liabilities</b>	<b>1,375</b>	<b>1,560</b>
<b>Net Assets</b>	<b>1,357</b>	<b>1,257</b>
<b>Units in Issue</b>	<b>253,619,717</b>	<b>253,619,717</b>
<b>Basic NAV per Unit (S\$)</b>	<b>4.81</b>	<b>4.44</b>
<b>Diluted NAV per unit (S\$)</b>	<b>4.54</b>	<b>4.20</b>

# A Healthy Debt Profile



❖ Total borrowings for stabilised and transitional assets as at 30 June 2013 is equivalent to S\$672.6 million.

## Strong Leasing Momentum Continues

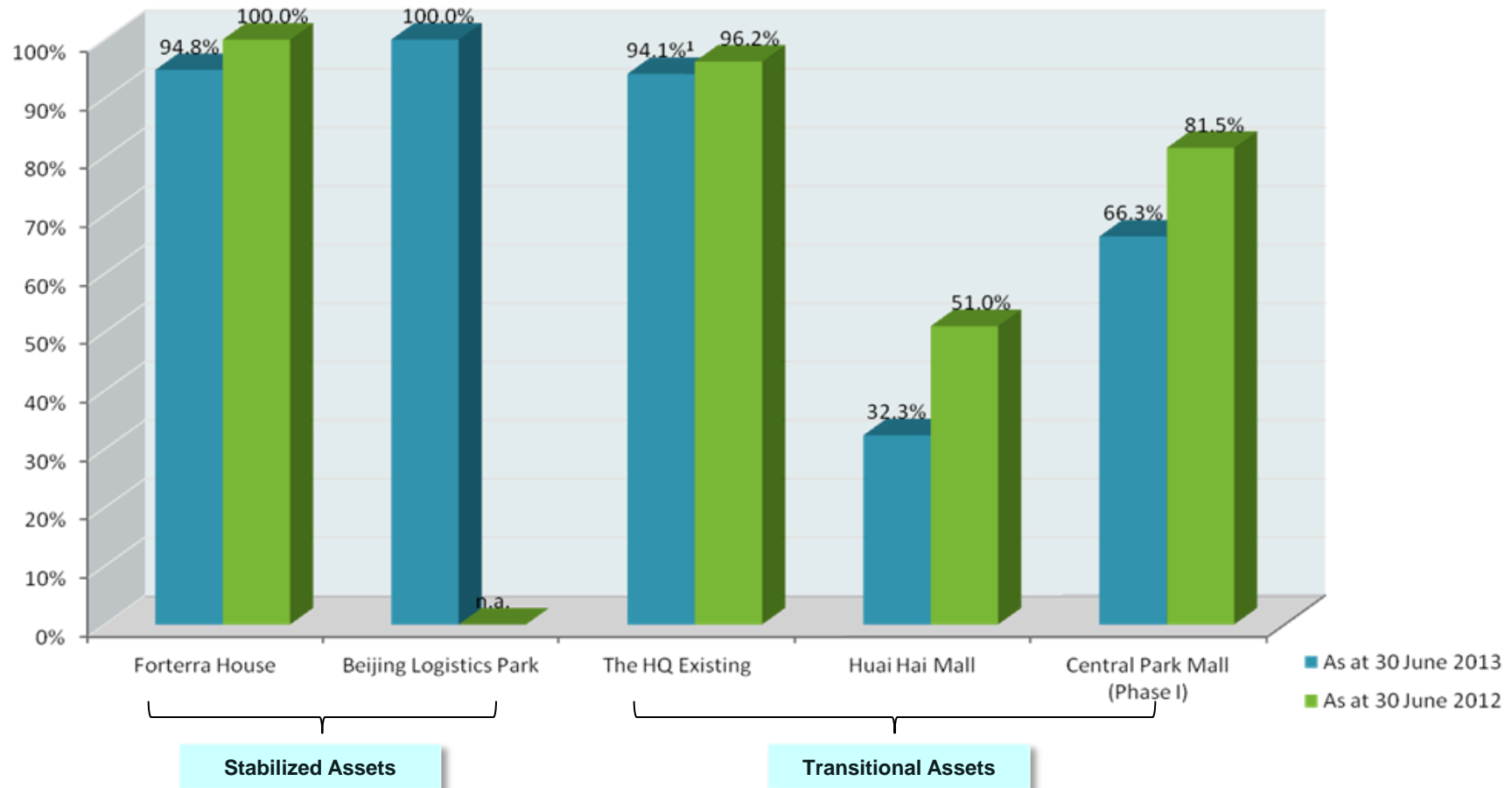
- 26 new lettings/renewals (excluding Central Plaza transactions) were successfully negotiated for the quarter encompassing both new lettings and renewals producing an aggregated per square metre rental which represents a 7.53% increase over the expiring leases.
- The marketing and leasing of The HQ retail component continued to gain strength which is 56.67% pre-committed as of 30 June 2013.

### Major Transactions in Q2 2013

Property	Tenants	Industry	Lease Type	Gross Area (sqm)
Forterra House	SAIC	Manufacturing	New	2,480.86
The HQ Existing	SITICO	Developer	Renew	1,980.92
	Myer	Trading	Expansion	1,537.62
	T-GAIA	Telecom	Expansion	680.81
	RCI	Manufacturing	Renew	608.68
	Saturn	Investment / Trading	Renew	605.08
	Japania	Manufacturing	Expansion	394.79

# Committed Portfolio Occupancy

■ Upon the successful sale of Central Plaza Shanghai, the committed occupancy of the property portfolios still remains steady and high with detailed committed occupancy of individual property set out as below.



1. Includes the office component of The HQ Existing only.

2. Beijing Logistics Park reached physical completion in April 2012, no previous comparable available.

# High Grade, Institutional Quality Tenants

MetLife®

北京银行  
BANK OF BEIJING

HITACHI  
Inspire the Next

H&M

SPX®



上海银行  
Bank of Shanghai



SONY MUSIC

GROHE

浦发银行  
SPD BANK



Forterra  
富达来

wagons

IR Ingersoll Rand

brother®

ROHDE & SCHWARZ

ITT Industries  
Engineered for life

淘宝网  
Taobao.com

SF EXPRESS  
顺丰速运

TRISTATE

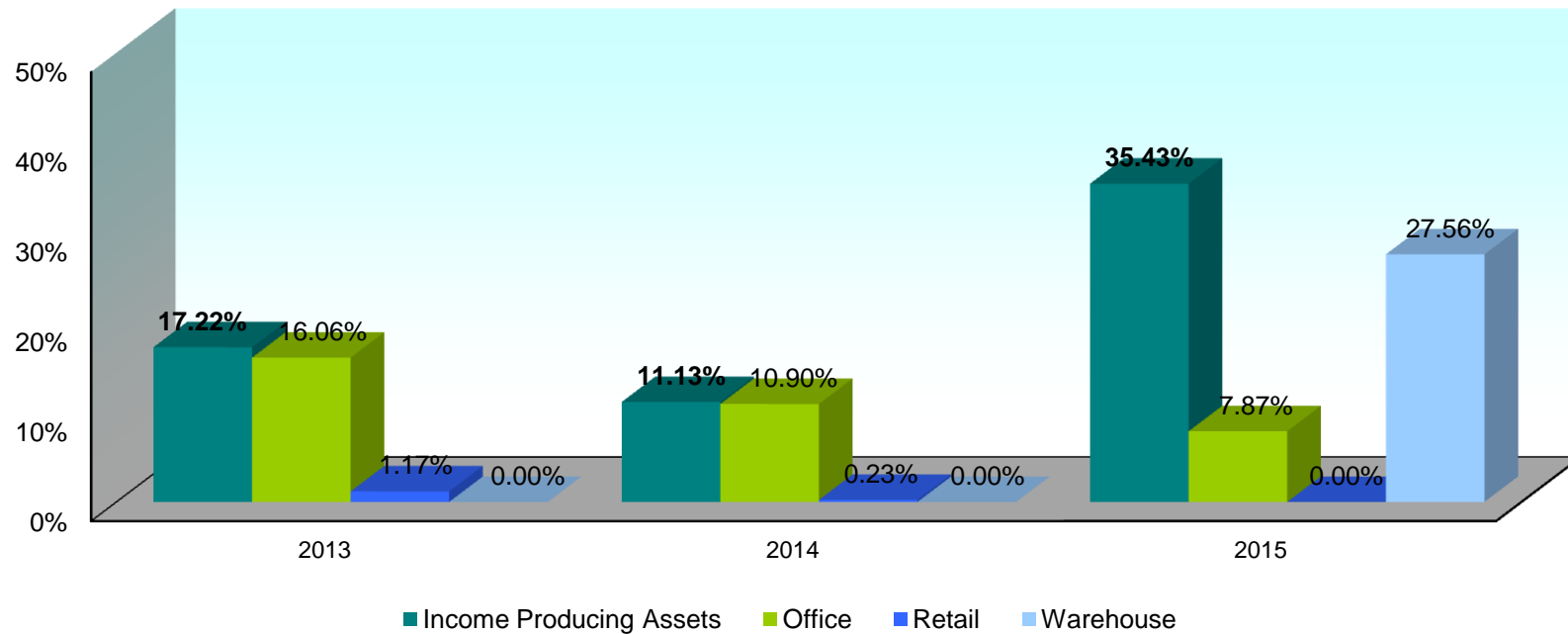
CASIO

Honeywell

LOTTE Mart

# Lease Expiry Profile

Leasing Expiring Portfolio 2013-2015 (as % of Gross Lettable Area)



# Recent Awards & Accolades

## Showcase Project of Green Construction



The HQ Extension has been awarded “Showcase Project of Green Construction” by China Construction Industry Association (CCIA), one of the most prestigious accolades in Chinese construction industry recognising the excellence achieved in all aspects of the development process

## Outstanding China Enterprise Awards



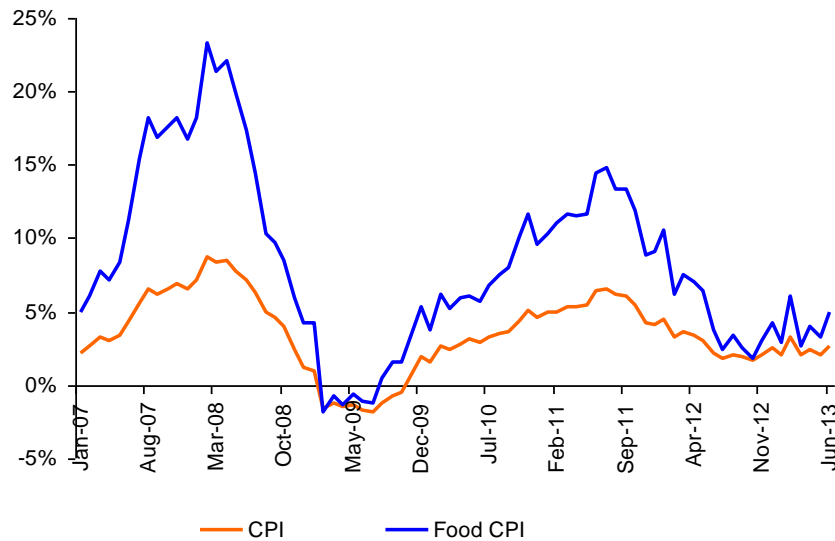
Forterra Trust has been awarded “the 8th Outstanding China Enterprise Awards” by Capital Magazine in Hong Kong. It marks the third year for Forterra to receive this prestigious, quality achievement award. Other recipients include ICBC Asia, Petro China, China Resources, Yue Xiu Construction

- 1 Introduction to Nan Fung and Forterra
- 2 Opportunities Presented by Nan Fung's Ownership
- 3 Portfolio Update & Financial Results
- 4 **Market Outlook**

# Macro Economics

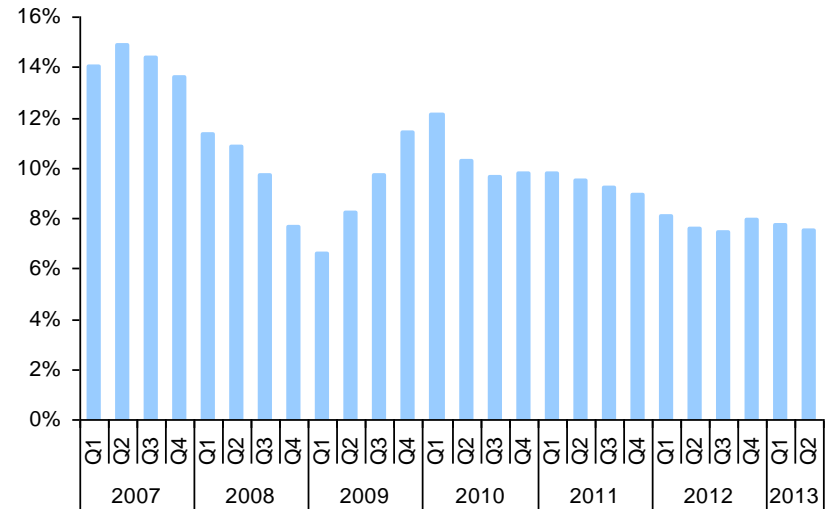
- China's economic growth slowed to 7.5% year-on-year ("YoY) in the second quarter, down from 7.7% in the first, matching the government's 7.5% target for the year but giving rise to concerns of a further slowdown across the remainder of 2013. The slowdown reflected a sharp deceleration in export growth and softening manufacturing investment weighed down by high inventories.
- Consumer spending was a bright spot, as total retail sales growth accelerated to a six-month high of 13.3% YoY in June from 12.9% in May. The sales growth for the first half year as a whole remained resilient, up 12.7% YoY, though well below last year's pace for the first half of 14.4%.
- CPI inflation in the first half year averaged 2.4% YoY, well below government's target of 3.5% for the full year.

Monthly CPI & Food CPI – YoY Change



Source: CEIC

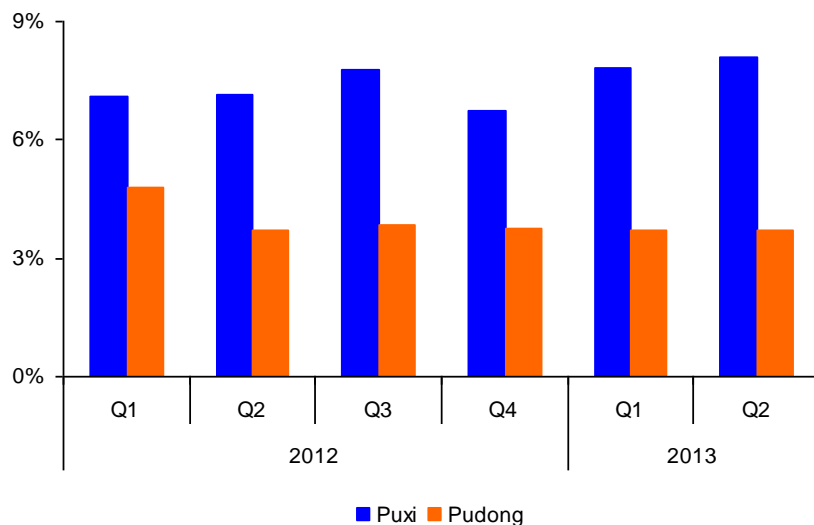
Quarterly YoY GDP Growth



# Shanghai Office Market

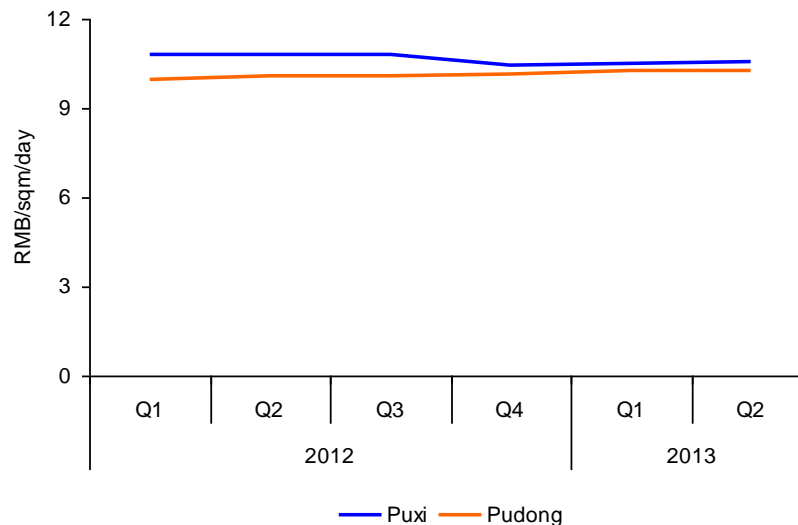
- Shanghai Grade A office market exhibited stable conditions in the second quarter. On the demand side, domestic companies, in particular those from the finance industry, played a greater role in office space net absorption. Meanwhile, the expansion demand from Multi-National Companies remained weak mainly as some occupiers continued to hold conservative attitude towards economic recovery and capital expenditure.
- Average rents in both overall market and Puxi (location of all Forterra Trust's assets) remained stable, edging up by 0.31% and 0.36% QoQ to RMB 10.43/sqm/day and 10.55/sqm/day respectively. Overall vacancy rate increased slightly by 0.13 percentage points to 6.15% by end of Q2.

### Office Vacancy– Puxi vs Pudong



Source: Stanley & Partners

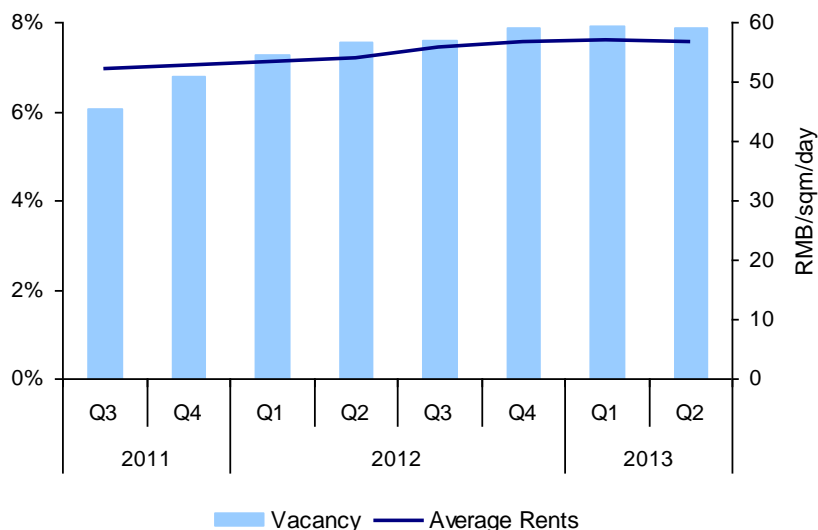
### Office Rents – Puxi vs Pudong



# Shanghai Retail Market

- The Shanghai retail market continued to post stable performance in the second quarter. Fast fashion tenants were still keen to expand. Meanwhile, high-end brands continued their expansion especially in prime locations.
- On the supply side, K11, which announced its grand opening in June after the soft opening in Q1, elevated retail atmosphere in Huaihai Road where Forterra Trust's Huaihai Mall is located.
- Average ground floor rent in prime area maintained its momentum, though at a slower pace, edging up 0.28% QoQ to RMB 56.74/sqm/day by end of Q2. Vacancy rate stayed stable at 7.89% during the period.

## Prime Retail Rents Index and Vacancy



Source: Stanley & Partners

**Thank you!**