



Forterra Trust

(a business trust registered in the Republic of Singapore)
(managed by Forterra Real Estate Pte. Ltd.)

PROPOSED SALE OF BEIJING LOGISTICS PARK

INTRODUCTION

The Board of Directors (the “**Directors**”) of Forterra Real Estate Pte. Ltd. (the “**Trustee-Manager**”), acting in its capacity as trustee-manager of Forterra Trust (“**Forterra**”), wishes to announce that on 4 April 2014, its wholly-owned subsidiary, China Real Estate Opportunities Limited (the “**Seller**”), entered into a share purchase agreement (“**SPA**”) with CLH (53) Pte. Ltd, a wholly owned subsidiary of Global Logistic Properties Limited. (the “**Purchaser**”) for the sale (“**Proposed Sale**”) of the Seller’s interest in 100% of the issued shares in Dream Land Properties Limited, which through a project company, Beijing Dream Land Industrial Development Co., Ltd, wholly owns the property known as “Beijing Logistics Park” (the “**Property**”).

Unless otherwise stated, all Renminbi (“**RMB**”) amounts in this announcement have been translated into Singapore dollars based on the exchange rate of S\$1.00 = RMB4.918 as at 28 March 2014.

DESCRIPTION OF THE PROPERTY

The Property is a logistics warehouse with a total gross floor area of 75,145 square metres located in Beijing’s Shunyi District, the People’s Republic of China (“**PRC**”), adjacent to Beijing International Airport. The Property, consisting of two single-storey warehouses and three two-storey warehouses, was completed in April 2012 and has an occupancy rate of 100% as at 31 December 2013.

DETAILS OF THE PROPOSED SALE

Share Sale Consideration

The share sale consideration of S\$22.2 million (RMB109.1 million) (“**Share Sale Consideration**”) was arrived at on a willing-buyer and willing-seller basis after taking into account the realized value from the Property of S\$86.2 million (RMB424.0 million) (the “**Realized Value**”) and other net liabilities of Dream Land Properties Limited and its subsidiary, Beijing Dream Land Industrial Development Co., Ltd, estimated as S\$64.0 million. The latest valuation of the Property, commissioned by the Trustee-Manager and conducted by DTZ Debenham Tie Leung International Property Advisers (Shanghai) Co., Ltd., was RMB338.0 million as at 31 December 2013, hence the Realized Value is in excess of the latest valuation of the Property by RMB86.0 million.

The Proposed Sale is expected to result in a gain of S\$13.2 million after taking into account the net assets, the reversal of deferred tax liabilities and estimated disposal costs including taxes.

Use of Proceeds from the Proposed Sale

The estimated net cash proceeds from the Proposed Sale is approximately S\$44.9 million after taking into account, among others, receipt of the Share Sale Consideration and intercompany loan payments less estimated disposal costs (including taxes).

The estimated net proceeds will, when received, be applied towards the costs of the development of The Place (formerly known as The HQ) and towards general corporate and working capital purposes.

Principal Terms of the SPA

(a) The Share Sale Consideration: S\$22.2 million (RMB109.1 million)

(b) Intercompany loan payments: S\$27.5 million (RMB135.4 million)

(c) Payment terms:

On the Closing Date (as defined in the SPA), the Purchaser shall pay to the Seller the Share Sale Consideration and intercompany loan payments. The Purchaser may be entitled to deduct a holdback amount of RMB10.0 million (S\$2.0 million) from the Share Sale Consideration to be held in escrow until completion of certain tax filings with the State Administration of Taxation of the PRC in connection with the Proposed Sale. Pursuant to the terms of the SPA, the Share Sale Consideration is subject to adjustments after the completion of the Proposed Sale (the “**BLP Completion**”).

(d) BLP Completion:

The BLP Completion is subject to and conditional upon, among others, the approval by Industrial and Commercial Bank of China with respect to the Proposed Sale (the “**Condition Precedent**”).

Subject to the Conditions Precedent being fulfilled, the BLP Completion is scheduled to take place on 23 April 2014.

Upon the BLP Completion, Dream Land Properties Limited and Beijing Dream Land Industrial Development Co., Ltd will cease to be wholly-owned subsidiaries of Forterra.

RATIONALE FOR THE PROPOSED SALE

The sale of the Property follows from the Trustee-Manager’s strategy to dispose of the Property which was previously announced on 7 March 2012. The Realized Value of the Property, which is higher than the fair value of the Property as at 31 December 2013, demonstrates the Trustee-Manager’s ability to realize the value of the Property and deliver enhanced return to unitholders of Forterra.

PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED SALE

Assumptions

The pro forma financial effects of the Proposed Sale presented below are strictly for illustration purposes only and are prepared based on the audited financial statements of Forterra for the financial year ended 31 December 2013 (“**FY2013**”), taking into account the Share Sale Consideration.

Pro Forma Earnings per Unit of the Proposed Sale

The table below sets out the pro forma financial effects of the Proposed Sale on Forterra's earnings per Unit for FY2013, as if the Proposed Sale were completed on 1 January 2013.

	FY2013	
	Before the Proposed Sale	After the Proposed Sale
Weighted average number of Units in issue	253,703,142	253,703,142
Net profit/(loss) attributable to Forterra (S\$'000)	(49,252)	(37,877)
Earnings per Unit (S\$ cents)	(19.4)	(14.9)

Pro Forma NAV of the Proposed Sale

The table below sets out the pro forma financial effects of the Proposed Sale on the net asset value ("NAV") per Unit as at 31 December 2013, as if the Proposed Sale were completed on 31 December 2013.

	As at 31 December 2013	
	Before the Proposed Sale	After the Proposed Sale
Number of Units issued	253,794,717	253,794,717
NAV (S\$'000)	1,189,008	1,202,548
NAV per Unit (S\$)	4.68	4.74

OTHER INFORMATION

Interests of Directors and Controlling Unitholders

Based on the information available to the Trustee-Manager as at the date of this announcement, none of the Directors or controlling Unitholders have an interest, direct or indirect, in the Proposed Sale. No person is proposed to be appointed as a director of the Trustee-Manager in connection with Proposed Sale or any other transactions contemplated in relation to the Proposed Sale.

Relative Figures Computed on the Bases set out in Rule 1006 of the Listing Manual

The relative figures for the Proposed Sale computed on the bases as set out in Rules 1006(a) to (e) of the Listing Manual of the SGX-ST are as follows:

(S\$'000)	Proposed Sale	Forterra	Relative Percentage
The NAV of the assets to be disposed of, compared with Forterra and its subsidiaries' ("Forterra Group") NAV ⁽¹⁾	5,204	1,323,038	0.4%
The net profit/(loss) attributable to the assets acquired or disposed of, compared with Forterra Group's net profit/(loss) ⁽²⁾	1,344	(52,511)	(2.6)%

(S\$'000)	Proposed Sale	Forterra	Relative Percentage
The aggregate value of the consideration given or received, compared with Forterra's market capitalisation based on the total number of issued Units ⁽¹⁾	88,573	550,735	16.1%
The number of equity securities issued by Forterra as consideration for an acquisition, compared with the number of equity securities previously in issue	N.A.	N.A.	N.A.
The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of Forterra Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	N.A.	N.A.	N.A.

(1) Based on audited financial statements of Forterra Group as at 31 December 2013.

(2) Based on audited financial statements of Forterra Group for FY2013.

Documents Available for Inspection

A copy of each of the SPA and the valuation report for the Property issued by DTZ Debenham Tie Leung International Property Advisers (Shanghai) Co., Ltd are available for inspection during normal business hours at the registered office of the Trustee-Manager at 65 Chulia Street, #43-08 OCBC Centre, Singapore 049513 for a period of three months from the date of this announcement.

By ORDER OF THE BOARD
Forterra Real Estate Pte. Ltd.
(as trustee-manager of Forterra Trust)
(Company registration no: 201003233M)
Andrew SEAH Choo
CEO and Executive Director
7 April 2014

IMPORTANT NOTICE

The value of units in Forterra Trust ("**Units**") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by the Trustee-Manager, or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors will have no right to request that the Trustee-Manager redeem or purchase the Units while the Units are listed on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). It is intended that holders of the Units may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Forterra Trust is not necessarily indicative of the future performance of Forterra Trust.