

FORTERRA TRUST
2014 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS

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INTRODUCTION

Forterra Trust (“Forterra” or the “Trust”) is a Singapore registered business trust, constituted pursuant to a Trust Deed dated 19 May 2010 (“Trust Deed”) and a supplemental trust deed dated 26 February 2013 and listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 21 June 2010. Forterra Real Estate Pte. Ltd. (“FRE”), a Singapore domiciled entity, is the Trustee-Manager of Forterra.

Pursuant to a put/call option agreement dated 22 July 2013, Nan Fung International Holdings Limited (“Nan Fung”), via its wholly owned subsidiary, New Precise Holding Limited, completed the acquisition of a further 7,815,057 units, equivalent to 3.08% of the units of the Trust in issue on 21 January 2014. After the acquisition, Nan Fung beneficially owns 76,083,379 units, equivalent to 29.98% of the units of the Trust in issue on 31 March 2014.

The properties held by Forterra as at 31 March 2014 are as follows:

Asset Name	Location	Asset Class	Description	Forterra ownership
Forterra House	Shanghai	Office/ Retail	Income producing asset	100%
The Place (formerly known as The HQ) Existing	Shanghai	Office/ Retail	Offices together with retail podium under refurbishment	100%
The Place Extension	Shanghai	Office/ Retail	New office and retail podium under development	100%
Huai Hai Mall	Shanghai	Retail	Retail centre vacated and ready for refurbishment	100%
Central Park Mall	Qingdao	Retail	Major town centre redevelopment site, with the first stage completed and income producing	55%
Beijing Logistics Park	Beijing	Office/ Logistics	Income producing logistics facility	100%

COMPARATIVE STATEMENTS

The actual results for the 1st quarter (the “1st Qtr”) ended 31 March 2014 are compared to the actual results of the 1st Qtr 2013. The Singapore Dollar (“S\$”) comparative statements are presented in Section 1.

The functional currency of Forterra is S\$ while the functional currency of the Trust’s operating subsidiaries in the People’s Republic of China (“PRC”) is Renminbi (“RMB”). As the operating companies report their operating income and expenses in RMB, an RMB comparative statement is also presented in Section 16 showing the actual net property income of the 1st Qtr 2014 against that of the 1st Qtr 2013. The Trustee-Manager believes that the RMB comparison provides a more meaningful review of the performance of the Trust’s PRC assets as it eliminates financial effects arising from fluctuations of the RMB/S\$ exchange rate.

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1 Consolidated Statement of Profit or Loss

(S\$'000)	1st Qtr 2014	1st Qtr 2013	YTD 2014	YTD 2013
Gross rental income	15,016	23,130	15,016	23,130
Other income	23	190	23	190
Gross revenue^a	15,039	23,320	15,039	23,320
Business and property related taxes	(2,321)	(3,026)	(2,321)	(3,026)
Property management fees ^b	(574)	(870)	(574)	(870)
Other property operating expenses ^c	(3,640)	(3,934)	(3,640)	(3,934)
Total property operating expenses	(6,535)	(7,830)	(6,535)	(7,830)
Net property income^a	8,504	15,490	8,504	15,490
Trustee-Manager's fees ^b	(3,529)	(4,157)	(3,529)	(4,157)
Administrative expenses ^d	(2,262)	(3,057)	(2,262)	(3,057)
Finance income	75	53	75	53
Finance costs ^e	(12,085)	(14,825)	(12,085)	(14,825)
Net foreign exchange gain/(loss) ^f	477	(7,756)	477	(7,756)
Change in fair values of financial derivatives	85	328	85	328
Profit/(Loss) before tax	(8,735)	(13,924)	(8,735)	(13,924)
Income tax expense - Current tax	(216)	(470)	(216)	(470)
- Deferred tax	(1,657)	(2,351)	(1,657)	(2,351)
Profit/(Loss) after tax	(10,608)	(16,745)	(10,608)	(16,745)
Total profit/(loss) attributable to:				
Unitholders of the Trust	(10,395)	(16,941)	(10,395)	(16,941)
Non-controlling interests	(213)	196	(213)	196
Profit/(Loss) after tax	(10,608)	(16,745)	(10,608)	(16,745)
Earnings per unit attributable to unitholders of the Trust				
Basic (cents)	(4.1)	(6.7)	(4.1)	(6.7)
Diluted (cents)	(4.1)	(6.7)	(4.1)	(6.7)

The figures are based on translating the monthly RMB Statements of Profit or Loss of Forterra's operating subsidiaries into S\$ at each month end during the reporting period.

RMB means Chinese Renminbi. S\$ means Singapore Dollar and cent means Singapore cent.

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1 Consolidated Statement of Profit or Loss (continued)

Footnotes:

- a. An analysis of gross revenue and net property income in RMB is presented in Section 16.
- b. Property management fees are payable to Treasury Holdings (Shanghai) Property Management Co., Limited, the “Property Manager” of the Trust, and Trustee-Manager’s fees are payable to the Trustee-Manager, both of which are wholly owned subsidiaries of a company that is beneficially owned by the controlling unitholder of Forterra.
- c. Other property operating expenses mainly comprise utility expenses, property management service fees to third party external service providers, repair and maintenance expenses, and marketing and leasing expenses.
- d. Administrative expenses mainly comprise property management service expenses, professional fees and public relationship expenses.

Property management service expenses represent the actual costs incurred by the Property Manager for the provision of the general management services and property management services. The expenses are reimbursed, at cost with no mark-up, to the Property Manager, a wholly owned subsidiary of a company that is beneficially owned by the controlling unitholder of Forterra.

The decrease in administrative expenses for 1st Qtr 2014, as compared to that of 1st Qtr 2013, was due to lower professional legal consultancy fees, partially offset by the commencement of cost reimbursement of site personnel for the provision of property management services pursuant to an Initial Property Management Agreement between the Property Manager and the owner of each of the properties dated 21st May 2010.

- e. The decrease in finance costs for 1st Qtr 2014, as compared to that of 1st Qtr 2013, was mainly attributable to the reduction of finance costs to Central Plaza as a result of its disposal in May 2013 as well as the decrease in average loan amounts related to other properties in operation.
- f. Net foreign exchange gain in the 1st Qtr of 2014 was mainly due to the foreign currency gain (unrealised) arising from the revaluation of the US dollar denominated loans as a result of the appreciation of the Singapore dollar against the US dollar (from US\$1= S\$1.2642 as at 31 December 2013 to US\$1= S\$1.2610 as at 31 March 2014), compared to the net foreign exchange loss (unrealised) in the 1st Qtr of 2013 as a result of the depreciation of the Singapore dollar against the US dollar (from US\$1=S\$1.2225 as at 31 December 2012 to US\$1=S\$1.2422 as at 31 March 2013).

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2 **Consolidated Statement of Comprehensive Income**

(S\$'000)	1st Qtr 2014	1st Qtr 2013	YTD 2014	YTD 2013
Profit/(Loss) after tax	(10,608)	(16,745)	(10,608)	(16,745)
Other comprehensive income/(expense):				
Foreign currency translation differences relating to translation of the financial statements of foreign operations ^a	(53,048)	23,894	(53,048)	23,894
Foreign currency translation differences relating to monetary items forming part of net investment in foreign operations	(1,190)	9,706	(1,190)	9,706
Other comprehensive income/(expense) for the period, net of tax	(54,238)	33,600	(54,238)	33,600
Total comprehensive income/(expense)	(64,846)	16,855	(64,846)	16,855
Attributable to:				
Unitholders of the Trust	(60,953)	14,463	(60,953)	14,463
Non-controlling interests	(3,893)	2,392	(3,893)	2,392
Total comprehensive income/(expense)	(64,846)	16,855	(64,846)	16,855

- a. The foreign currency translation loss relating to foreign operations in the 1st Qtr of 2014 was mainly due to the foreign exchange loss (unrealised) arising from the translation of RMB financial statements of the PRC operating subsidiaries into S\$ (from S\$1=RMB4.787 as at 31 December 2013 to S\$1=RMB4.935 as at 31 March 2014), compared to the foreign exchange gain (unrealised) in the 1st Qtr of 2013 (from S\$1=RMB5.096 as at 31 December 2012 to S\$1=RMB5.004 as at 31 March 2013).

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3 **Statements of Financial Position**

(S\$'000 except otherwise stated)	Group		Trust	
	As at 31 Mar 2014	As at 31 Dec 2013	As at 31 Mar 2014	As at 31 Dec 2013
Non-current assets				
Investment properties ^a	2,371,782	2,438,479	-	-
Property, plant and equipment	891	979	-	-
Subsidiaries	-	-	976,874	976,874
Total non-current assets	2,372,673	2,439,458	976,874	976,874
Current assets				
Trade and other receivables ^b	53,979	54,913	92,890	96,763
Cash and cash equivalents ^c	82,480	108,244	1,446	2,743
Assets classified as held for sale ^d	70,394	75,510	-	-
Total current assets	206,853	238,667	94,336	99,506
Total assets	2,579,526	2,678,125	1,071,210	1,076,380
Non-current liabilities				
Interest-bearing borrowings	342,698	617,223	-	-
Deferred tax liabilities ^e	383,214	393,601	546	546
Total non-current liabilities	725,912	1,010,824	546	546
Current liabilities				
Interest-bearing borrowings	360,120	91,789	-	-
Debt securities ^f	81,326	79,470	81,326	79,470
Derivative financial liabilities ^g	-	85	-	-
Current tax liabilities	-	415	-	-
Trade and other payables ^h	88,350	102,262	94,942	94,114
Liabilities classified as held for sale ^d	65,626	70,242	-	-
Total current liabilities	595,422	344,263	176,268	173,584
Total liabilities	1,321,334	1,355,087	176,814	174,130
Net assets	1,258,192	1,323,038	894,396	902,250
Represented by:				
Unitholders' funds ⁱ	1,128,055	1,189,008	894,396	902,250
Non-controlling interests	130,137	134,030	-	-
	1,258,192	1,323,038	894,396	902,250
Number of units issued	253,794,717	253,794,717	253,794,717	253,794,717
NAV attributable to unitholders per unit				
Basic (in S\$)	4.44	4.68	N.A	N.A
Diluted (in S\$)	4.25	4.46	N.A	N.A

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3 Statements of Financial Position (continued)

Footnotes:

a. Investment properties

i) Movement

(S\$'000)	YTD 2014
Total property value as at 1 January	2,438,479
Capitalised development costs*	6,595
Foreign currency translation differences	(73,292)
Total property value as at 31 March	2,371,782

* The capitalised development costs in YTD 2014 mainly related to the construction of The Place Extension and the refurbishment of The Place Existing.

** The movement of investment properties excluded that of Beijing Logistics Park (“BLP”), which has been reclassified to assets held for sale.

ii) Carrying value

	31 Mar 2014		31 Dec 2013	
	RMB'000	S\$'000	RMB'000	S\$'000
Central Park Mall	2,003,000	405,877	2,003,000	418,425
Huai Hai Mall	816,000	165,350	816,000	170,462
The Place	8,165,740	1,654,658	8,134,000	1,699,185
Forterra House	720,000	145,897	720,000	150,407
	11,704,740	2,371,782	11,673,000	2,438,479

The carrying values as at 31 March 2014 represent the valuation amounts of the investment properties as at 31 December 2013 plus any costs incurred during the 1st Qtr 2014. Forterra engages an independent valuer to perform valuation of all of its investment properties in June and December of each year.

iii) Development Costs (excluding land cost and capitalised interest)

(in million, unless otherwise specified)	Approved Budget		Contract Committed		Expenditure to 31 Mar 2014		% of Approved Budget
	RMB	S\$	RMB	S\$	RMB	S\$	
The Place Extension	899	182	719	146	488	99	54.3%

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3 Statements of Financial Position (continued)

Footnotes (continued):

b. Trade and other receivables

The balance as at 31 March 2014 included intercompany balances amounting to S\$28,278,000, receivable from the group entity which holds BLP, which was not eliminated on consolidation following the reclassification of BLP's amounts due to other group entities to liabilities held for sale. Please also refer to Footnote d of Section 3.

c. Cash and cash equivalents

(S\$'000)	31 Mar 2014	31 Dec 2013
Total cash and cash equivalents	82,480	108,244
Less: Restricted cash*	(3,795)	(3,630)
Cash and cash equivalents per consolidated statement of cash flows**	78,685	104,614

* Restricted cash represented cash deposited in the designated accounts maintained with the banks, pursuant to the terms of the underlying loan agreements, for paying the interest as and when it becomes due.

** The cash and cash equivalents of the group entities holding BLP were reclassified to assets held for sale and were excluded from the balance.

d. Assets and liabilities held for sale

	31 Mar 2014		31 Dec 2013	
	RMB'000	S\$'000	RMB'000	S\$'000
Assets classified as held for sale				
BLP - carrying value	338,000	68,490	338,000	70,608
Trade and other receivables		994		206
Cash and cash equivalents		910		4,696
Total assets held for sale		70,394		75,510
Liabilities classified as held for sale				
Interest-bearing borrowing		33,429		34,480
Amounts due to other group entities		28,278		28,278
Deferred tax liabilities		743		543
Trade and other payables		3,176		6,941
Total liabilities held for sale		65,626		70,242

Assets and liabilities related to the group entities that hold BLP which the Group intends to divest. The carrying value of BLP as at 31 March 2014 represented the valuation performed as at 31 December 2013 by an independent valuer.

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3 **Statements of Financial Position (continued)**

Footnotes (continued):

d. Assets and liabilities held for sale (continued)

On 4 April 2014, China Real Estate Opportunities Limited, a wholly-owned subsidiary of the Trust, entered into a share purchase agreement with CLH (53) Pte. Ltd., a wholly owned subsidiary of Global Logistic Properties Limited, for the sale (the “Transaction”) of its interest in 100% of the issued shares in Dream Land Properties Limited, a Jersey-incorporated company which owns the BLP property, for a consideration of approximately S\$22.2 million (equivalent to RMB109.1 million) (“Share Sale Consideration”). The Transaction was completed on 16 April 2014 and the post-completion adjustment is expected to be completed within 30 business days after the completion date. The estimated gain from this Transaction is S\$13.2 million with the receipt of net cash proceeds of S\$44.9 million, after taking into account, among others, receipt of the Share Sale Consideration and intercompany loan payments less estimated disposal costs.

e. Deferred tax liabilities

The deferred tax liabilities in respect of the change in fair value of investment properties were accounted for at the prevailing PRC corporate income tax rate of 25%. This is based on the change in the carrying value of investment properties against their tax base, including the change in fair value and depreciation charge made in accordance with the PRC tax rules during the period.

	As at 1 Jan 2014	Recognised in income statement	Recognised in equity	Foreign currency translation differences	As at 31 Mar 2014
(S\$'000)					
Group					
Investment properties	393,055	1,435	-	(11,822)	382,668
Convertible bonds	546	-	-	-	546
	393,601	1,435	-	(11,822)	383,214
Trust					
Convertible bonds	546	-	-	-	546

* The amount of deferred tax liabilities excluded those related to BLP, as they were reclassified to liabilities held for sale. Please refer to Footnote d of Section 3.

f. Debt securities

Refer to Section 6 for details.

g. Derivative financial liabilities

Derivative financial liabilities represent the floating to fixed interest rate swap with a notional amount of US\$135 million which expired on 27 January 2014.

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3 Statements of Financial Position (continued)

Footnotes (continued):

h. Trade and other payables

The movement was mainly due to the settlement of some construction costs for The Place during 1st Qtr 2014.

i. Consolidated statement of movements in unitholders' funds is presented in Section 10.

4 Aggregate Amount of Borrowings and Debt Securities

(S\$'000)	31 Mar 2014		31 Dec 2013	
	Group	Trust	Group	Trust
Unsecured borrowings				
Convertible bonds – repayable within one year	81,625	81,625	79,971	79,971
Total unsecured borrowings	81,625	81,625	79,971	79,971
Less: Unamortised transaction costs	(299)	(299)	(501)	(501)
Net balance of unsecured borrowings	81,326	81,326	79,470	79,470
Secured borrowings				
Loans				
- Amount repayable within one year	360,120	-	91,789	-
- Amount repayable after one year	346,034	-	621,391	-
Total secured borrowings ^a	706,154	-	713,180	-
Less: Unamortised transaction costs	(3,336)	-	(4,168)	-
Net balance	702,818	-	709,012	-
Secured borrowing of liabilities held for sale				
Secured borrowing of BLP ^b	34,296	-	35,408	-
Less: Unamortised transaction costs ^b	(867)	-	(928)	-
Net balance	33,429	-	34,480	-
Net balance of secured borrowings	736,247	-	743,492	-
Total Borrowings	817,573	81,326	822,962	79,470

- a. The decrease in the secured borrowings was mainly due to the revaluation of the RMB denominated loans as a result of the appreciation of the Singapore dollar against RMB (from S\$1=RMB4.787 as at 31 December 2013 to S\$1=RMB4.935 as at 31 March 2014).
- b. Secured borrowing related to the group entity which holds BLP was reclassified to liabilities held for sale. Please also refer to Footnote d of Section 3.

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5 Collaterals of Secured Borrowings

(in million)	Loan outstanding		Total (a)+(b) S\$ equivalent
	(a) US\$	(b) RMB	
Loans secured by mortgage of properties^a			
The Place Existing	284	391	436
Forterra House	48	47	70
The Place Extension	-	449	91
Huai Hai Mall	42	45	62
Central Park Mall	-	230	47
Total loan balance	374	1,162	706
Unamortised transaction costs			(3)
Net loan balance			703
Net loan balance related to BLP classified under liabilities held for sale ^b			33
Total net loan balance			736

- a. As collateral for the secured borrowings, the bank loans are secured by legal mortgages over each specific property (collectively, the “Mortgaged Properties”), excluding the 3 development sites of Central Park Mall, and pledge of the equity interest of each of the property companies of The Place and Forterra House. The equity interest in the property company of Huai Hai Mall is also required to be pledged using best efforts with the applicable authority. As at 31 March 2014, the application in conjunction with the banks for the equity interest pledge of the property company of Huai Hai Mall is in progress.
- b. The loan related to the group entity which holds BLP was reclassified to liabilities held for sale. Please refer to Footnote d of Section 3 for details.

6 Convertible Bonds

Forum convertible bond

On 14 March 2011, Forterra issued a convertible bond (“Forum CB”) with a principal amount of S\$59.7 million to finance the Group’s acquisition of Huai Hai Mall and Central Park Mall.

On 31 January 2013, the bondholder completed the transfer of three principal amounts of S\$10.0 million each to three different transferees while retaining the principal balance of S\$29.7 million.

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6 Convertible Bonds

Forum convertible bond (continued)

The Forum CB is convertible by the bondholders into Units at a conversion price of S\$2.10 at any time on or after 40 days following 14 March 2011 up to seven business days prior to 17 September 2014 (subject to the satisfaction of certain conditions), or if the Forum CB has been called for redemption before 17 September 2014, then up to seven business days prior to the date fixed for redemption thereof. Based on the conversion price of S\$2.10 and the issue value of S\$59.7 million, 28,428,571 conversion units may be allotted and issued by the Trustee-Manager in the event of the full conversion of the Forum CB.

The Forum CB bears cash interest on the outstanding principal amount of the bond at the rate of 6.0% per annum. The principal amount of the bond plus an additional amount necessary to result in a yield of 16.75% per annum, compounded semi-annually (less all cash interest paid), shall be payable upon redemption on 17 September 2014.

Unless previously redeemed (following the exercise of a Delisting/Change of Control Put Right), converted or purchased and cancelled, the Trustee-Manager will redeem the Forum CB on 17 September 2014.

The convertible debt securities which remained outstanding as at 31 March 2014 are set out as follows:

	Aggregate principal amount and accreted interest outstanding*	Convertible bond reserve (in equity)	Finance costs	Conversion price
	S\$'000	S\$'000	S\$'000	S\$
Forum CB	81,326	2,641	3,446	2.10

* net of unamortised transaction costs.

7 Actual Gearing Ratio Compared to Gearing Cap

With outstanding borrowings attributable to the Trust of S\$797 million (31 December 2013: S\$801 million), the gearing ratio was 33.7% as at 31 March 2014 (31 December 2013: 32.6%), compared to the maximum gearing cap of 45% as stipulated in the Trust Deed.

8 Actual Development Ratio Compared to Development Cap

Actual development ratio was 18.3% as at 31 March 2014 (31 December 2013: 18.2%), compared to the development cap of 30% as stipulated in the Trust Deed.

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9 Consolidated Statement of Cash Flows

(S\$'000)	1st Qtr 2014	1st Qtr 2013	YTD 2014	YTD 2013
Operating activities				
Profit/(Loss) after tax	(10,608)	(16,745)	(10,608)	(16,745)
Equity-settled unit-based expenses	-	132	-	132
Depreciation	59	91	59	91
Finance income	(75)	(53)	(75)	(53)
Finance costs	12,085	14,825	12,085	14,825
Changes in fair value of financial derivatives	(85)	(328)	(85)	(328)
Unrealised foreign exchange (gain)/loss	(477)	7,756	(477)	7,756
Income tax expense	1,873	2,821	1,873	2,821
Operating profit before change in working capital	2,772	8,499	2,772	8,499
Changes in working capital:				
- Changes in trade and other receivables	146	(1,195)	146	(1,195)
- Changes in trade and other payables	(1,279)	(1,184)	(1,279)	(1,184)
Cash generated from operations	1,639	6,120	1,639	6,120
Income taxes paid	(631)	(569)	(631)	(569)
Net cash generated from/(used in) operating activities	1,008	5,551	1,008	5,551
Investing activities				
Development costs paid on investment properties	(21,196)	(10,627)	(21,196)	(10,627)
Interest received	75	53	75	53
Net cash generated from/(used in) investing activities	(21,121)	(10,574)	(21,121)	(10,574)
Financing activities				
Proceeds from bank borrowings, net of transaction costs	2,878	23,652	2,878	23,652
Repayment of bank borrowings	(1,496)	(950)	(1,496)	(950)
Interest paid	(10,107)	(12,021)	(10,107)	(12,021)
(Increase)/Decrease in restricted cash	(165)	(4,320)	(165)	(4,320)
Net cash generated from/(used in) financing activities	(8,890)	6,361	(8,890)	6,361
Net increase/(decrease) in cash and cash equivalents	(29,003)	1,338	(29,003)	1,338
Cash and cash equivalents at the beginning of the period	104,614	36,054	104,614	36,054
Effect of exchange rate fluctuations on cash held	(712)	518	(712)	518
(Increase)/Decrease in cash classified under assets held for sale*	3,786	69	3,786	69
Cash and cash equivalents as at period end	78,685	37,979	78,685	37,979

* The cash and cash equivalents of the group entities which hold BLP were reclassified to assets held for sale. Please also refer to Footnote d of Section 3.

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10 Consolidated Statement of Movements in Unitholders' Funds

(S\$'000)	1 st Qtr 2014			1 st Qtr 2013		
	Unitholders of the Trust	Non- controlling interests	Total	Unitholders of the Trust	Non- controlling interests	Total
Balance at beginning of period	1,189,008	134,030	1,323,038	1,126,851	129,620	1,256,471
Profit/(Loss) after tax	(10,395)	(213)	(10,608)	(16,941)	196	(16,745)
Foreign currency translation differences relating to translation of the financial statements of foreign operations ^a	(49,368)	(3,680)	(53,048)	21,698	2,196	23,894
Foreign currency translation differences relating to monetary items forming part of net investment in foreign operations	(1,190)	-	(1,190)	9,706	-	9,706
Total comprehensive income/(expense)	(60,953)	(3,893)	(64,846)	14,463	2,392	16,855
Contribution by and distribution to owners						
Equity-settled unit-based transaction	-	-	-	132	-	132
Transactions with owners in their capacity as owners	-	-	-	132	-	132
Balance as at period end	1,128,055	130,137	1,258,192	1,141,446	132,012	1,273,458

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10 Consolidated Statement of Movements in Unitholders' Funds (Continued)

(S\$'000)	YTD 2014			YTD 2013		
	Unitholders of the Trust	Non- controlling interests	Total	Unitholders of the Trust	Non- controlling interests	Total
Balance at beginning of period	1,189,008	134,030	1,323,038	1,126,851	129,620	1,256,471
Profit/(Loss) after tax	(10,395)	(213)	(10,608)	(16,941)	196	(16,745)
Foreign currency translation differences relating to translation of the financial statements of foreign operations ^a	(49,368)	(3,680)	(53,048)	21,698	2,196	23,894
Foreign currency translation differences relating to monetary items forming part of net investment in foreign operations	(1,190)	-	(1,190)	9,706	-	9,706
Total comprehensive income/(expense)	(60,953)	(3,893)	(64,846)	14,463	2,392	16,855
Contribution by and distribution to owners						
Equity-settled unit-based transaction	-	-	-	132	-	132
Transactions with owners in their capacity as owners	-	-	-	132	-	132
Balance as at period end	1,128,055	130,137	1,258,192	1,141,446	132,012	1,273,458

- a. The foreign currency translation loss relating to foreign operations in the 1st Qtr of 2014 was mainly due to the foreign exchange loss (unrealised) arising from the translation of RMB financial statements of the PRC operating subsidiaries into S\$ (from S\$1=RMB4.787 as at 31 December 2013 to S\$1=RMB4.935 as at 31 March 2014), compared to the foreign exchange gain (unrealised) in the 1st Qtr of 2013 (from S\$1=RMB5.096 as at 31 December 2012 to S\$1=RMB5.004 as at 31 March 2013).

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11 Details of Changes in Units in Issue and the Total Number of Issued Units

No change during the period.

12 Earnings per Unit (“EPU”)

(Number of units, unless otherwise specified)	1 st Qtr 2014	1 st Qtr 2013	YTD 2014	YTD 2013
Earnings per unit based on weighted average units in issue				
Weighted average units in issue	253,794,717	253,619,717	253,794,717	253,619,717
Basic earnings per unit	(4.1 cents)	(6.7 cents)	(4.1 cents)	(6.7 cents)
Earnings per unit on a diluted basis*				
Weighted average units in issue, diluted	253,794,717	253,619,717	253,794,717	253,619,717
Earnings per unit on a diluted basis	(4.1 cents)	(6.7 cents)	(4.1 cents)	(6.7 cents)

* As the Group incurred a net loss for the period, the adjustments to the net loss attributable to unitholders of the Trust, and the potential units to be issued under the Forterra Unit Option Scheme and the convertible debt securities have not been taken into consideration in arriving at the diluted earnings per unit for the period ended 31 March 2014.

13 Net Asset Value (“NAV”) per Unit (Basic and Diluted)

(Number of units, unless otherwise specified)	31 Mar 2014	31 Dec 2013
NAV per unit based on units in issue		
Number of units issued	253,794,717	253,794,717
Basic NAV per unit	S\$4.44	S\$4.68
NAV per unit on a diluted basis		
Number of units issued, diluted	284,861,482	284,970,062
Diluted NAV per unit	S\$4.25	S\$4.46

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14 **Amount Available for Distribution**

(S\$'000)	YTD Mar 2014	YTD Mar 2013
Reconciliation from net profit to distribution to Unitholders		
Amount from operations before distribution at the beginning of the period	(32,928)	(16,117)
Net profit/(loss) attributable to Unitholders of the Trust	(10,395)	(16,941)
Distribution adjustments (Note A)	4,492	13,377
Amount from operations unavailable for distribution to Unitholders at the end of the period	(38,831)	(19,681)
Realised gains available for distribution to Unitholders at the beginning/end of the period (Note B)	37,888	5,802

Note A:

(S\$'000)	YTD Mar 2014	YTD Mar 2013
Adjustment items:		
- Depreciation of property, plant and equipment*	57	85
- Deferred tax expense*	1,563	2,260
- Amortisation of transaction costs for bank loans and convertible debt securities	884	1,236
- Difference between the convertible debt interests at the effective interest rates and at the nominal interest rates	2,550	2,236
- Unrealised foreign exchange (gain)/loss	(477)	7,756
- Changes in fair value of financial derivatives	(85)	(328)
- Unit option expense	-	132
Distribution adjustments	4,492	13,377

* Adjusted for non-controlling interests' share

Note B:

Realised gains available for distribution represent the Group's accumulated gains from the disposals of its interest in Tangdao Bay development site, RREEF China Commercial Trust (which took place before the constitution of the Trust) and Central Plaza in 2013, less the already distributed amount of S\$21.0 million.

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15 Performance Review

(S\$'000)	1 st Qtr 2014	1 st Qtr 2013	Change (%)	YTD 2014	YTD 2013	Change (%)
Gross rental income	15,016	23,130		15,016	23,130	
Other income	23	190		23	190	
Gross Revenue	15,039	23,320	(35.5)	15,039	23,320	(35.5)
Business and property related taxes	(2,321)	(3,026)		(2,321)	(3,026)	
Property management fees	(574)	(870)		(574)	(870)	
Other property operating expenses	(3,640)	(3,934)		(3,640)	(3,934)	
Total property operating expenses	(6,535)	(7,830)	(16.5)	(6,535)	(7,830)	(16.5)
Net property income	8,504	15,490	(45.1)	8,504	15,490	(45.1)
Trustee-Manager's fees	(3,529)	(4,157)		(3,529)	(4,157)	
Administrative expenses	(2,203)	(2,834)		(2,203)	(2,834)	
Finance income	75	53		75	53	
Finance costs	(8,651)	(11,353)		(8,651)	(11,353)	
Net profit/(loss) before changes in fair values of investment properties and financial derivatives, and net foreign exchange differences	(5,804)	(2,801)		(5,804)	(2,801)	
Administrative expenses						
- depreciation charges	(59)	(91)		(59)	(91)	
- unit option cost	-	(132)		-	(132)	
Net foreign exchange gain/(loss)	477	(7,756)		477	(7,756)	
Changes in fair values of financial derivatives	85	328		85	328	
Finance costs						
- Forum CB and Trio CB amortised using effective interest rate	(2,550)	(2,236)		(2,550)	(2,236)	
- amortisation of transaction costs	(884)	(1,236)		(884)	(1,236)	
Profit/(Loss) before tax	(8,735)	(13,924)		(8,735)	(13,924)	
Income tax expense - Current tax	(216)	(470)		(216)	(470)	
- Deferred tax	(1,657)	(2,351)		(1,657)	(2,351)	
Total profit/(loss) after tax	(10,608)	(16,745)		(10,608)	(16,745)	
Total profit/(loss) attributable to:						
Unitholders of the Trust	(10,395)	(16,941)		(10,395)	(16,941)	
Non-controlling interests	(213)	196		(213)	196	
Total profit/(loss) after tax	(10,608)	(16,745)		(10,608)	(16,745)	

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16 Net Property Income Statement

(RMB'000)	1 st Qtr 2014	1 st Qtr 2013	Change (%)	YTD 2014	YTD 2013	Change (%)
The Place Existing	47,758	56,062		47,758	56,062	
Central Plaza	-	27,509		-	27,509	
Forterra House	9,853	6,955		9,853	6,955	
Central Park Mall	4,811	13,883		4,811	13,883	
Huai Hai Mall	1,943	4,726		1,943	4,726	
BLP	7,907	7,718		7,907	7,718	
Other income	111	959		111	959	
Gross revenue^a	72,383	117,812	(38.6)	72,383	117,812	(38.6)
Business and property related tax	(11,171)	(15,287)		(11,171)	(15,287)	
Property management fees	(2,763)	(4,395)		(2,763)	(4,395)	
Other property operating expenses	(17,519)	(19,875)		(17,519)	(19,875)	
Total property operating expenses	(31,453)	(39,557)	(20.5)	(31,453)	(39,557)	(20.5)
Net property income	40,930	78,255	(47.7)	40,930	78,255	(47.7)

- a. The decrease in gross revenue between 1st Qtr 2014 and 1st Qtr 2013 was mainly due to the divestment of Central Plaza in May 2013, the termination of rent guarantee for Central Park Mall in August 2013, and the ongoing refurbishment of The Place Existing retail podium.

17 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagement to Review Financial Statements), or an equivalent standard)

The figures have neither been audited nor reviewed by our auditors.

18 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)

Not applicable.

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19 Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been complied with

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2013, except for the adoption of new and revised Financial Reporting Standards (including its consequential amendments) applicable for the financial period beginning on 1 January 2014 as follows:

FRS 110 *Consolidated Financial Statements* introduces a new control model that is applicable to all investees, by focusing on whether the Group has power over an investee, exposure, or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. In particular, FRS 110 requires the Group to consolidate investees that it controls on the basis of de facto circumstances.

FRS 112 *Disclosure of Interests in Other Entities* brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. FRS 112 requires the disclosure of information about the nature, risks and financial effects of these interests.

Amendments to FRS 32 *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* clarify the existing criteria for net presentation on the face of the statement of financial position. Under the amendments, to qualify for offsetting, the right to set off a financial asset and a financial liability must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

There is no material financial impact on the results and financial position from the adoption of these amendments.

20 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons, and the effect of, the change

Please refer to Section 19 above.

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21 Commentary on the competitive conditions of industry in which the Trust and its investees operate and any known factors or events that may affect the Trust and its investees in the next reporting period and the next 12 months

China's GDP growth moderated further to 7.4% year-on-year ("YoY") in 1st Qtr 2014 from 7.7% YoY in 4th Qtr 2013, the slowest pace since 3rd Qtr 2012. (Source: CEIC, National Bureau of Statistics)

CPI inflation averaged 2.3% YoY in 1st Qtr, still well below the government's 2014 annual target of 3.5%. Subdued inflation provides leeway for the monetary policy to maintain a relatively supportive stance. (Source: CEIC, National Bureau of Statistics)

The market performance of Puxi (location of all FT's office assets) and Pudong Grade A office market in Shanghai continued to diverge during the first quarter. In Puxi, the demand from MNC tenants still remained subdued and most of the leasing deals signed were for renewal. Meanwhile, new supplies in the area also led to more competition among landlords, resulting in some taking more flexible approach with the lease terms. Due to the quiet leasing demand, vacancy rate in Puxi stayed high at 13.1% with rent dropping slightly by 0.9% quarter-on-quarter ("QoQ") to RMB 9.0/sqm/day. Whilst in Pudong, average rents increased by 1.6% QoQ to RMB 9.6/sqm/day, with vacancy rate hitting 3.5%, being its lowest since Q4 2007, mainly driven by strong demand from domestic financial institutions and limited available space. (Source: Jones Lang LaSalle)

Shanghai's retail property market continued to witness sustained demand from both international and domestic retailers in 1st Qtr. F&B retailers are generally getting aggressive about expansion in both prime and secondary markets, whilst fashion brands are more cautious and selective on their expansion programs. Though new entrants continued to make their debut in the market, mainstream fast fashion retailers are expanding at slower pace and focused on prime locations. By end of 1st Qtr, vacancy rate in prime locations edged down to 4.4%, and ground floor base rents rose 1.7% QoQ to RMB 51.3/sqm/day. (Source: Savills, Jones Lang LaSalle)

Generally, liquidity has remained tight since the beginning of the year and banks have taken longer time to approve loans for developers as the People's Bank of China ("PBoC"), the Central Bank, appeared to be maintaining the tight liquidity policy in the 1st Qtr. (Source: Xinhua News Agency, Reuters) However, the latest remarks by the PBoC Governor, Zhou Xiaochuan, at the Boao Forum has signaled that the PBoC may adjust policies to keep GDP growth within a reasonable range and hence may be more flexible with liquidity management and be more supportive of growth in the coming months. (Source: HSBC Global Research)

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22 Distribution

22.1 Current financial period:

Any distributions declared for the current financial period?

No.

22.2 Corresponding period of the preceding financial period:

Any distributions declared for the corresponding period of the immediate preceding financial period?

No.

22.3 Date payable:

Not applicable.

22.4 Book closure date:

Not applicable.

22.5 If no distribution has been declared/recommendeded, a statement to that effect:

Not applicable.

23 If the Trust has obtained a general mandate from unitholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Trust has not obtained a general mandate from unitholders for Interested Person Transactions.

24 Disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.

Not applicable.

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25 Confirmation Pursuant to Rule 705(5)

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Trustee-Manager of Forterra Trust (the “Trustee-Manager”) which may render the financial results of the Group and the Trust (comprising the statements of financial position as at 31 March 2014 and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of movements in Unitholders’ funds for the three months ended 31 March 2014, together with their accompanying notes), to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Forterra Real Estate Pte. Ltd.

(as Trustee-Manager of Forterra Trust)

(Company registration no. 201003233M)

Andrew SEAH Choo

Executive Director

5 May 2014

IMPORTANT NOTICE

The value of units (“Units”) in Forterra Trust (“Forterra”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, Forterra, the Trustee-Manager, or any of its affiliates. The past performance of Forterra is not indicative of the future performance of Forterra.

Certain statements in this announcement constitute “forward-looking statements”. Such forward-looking statements and financial information are based on numerous assumptions regarding 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, 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.