

EC WORLD REIT UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD 28 JULY TO 30 SEPTEMBER 2016 AND DISTRIBUTION ANNOUNCEMENT

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DBS Bank Ltd. is the sole financial adviser, global coordinator and issue manager for the initial public offering of EC World REIT. DBS Bank Ltd., Bank of China Limited, Singapore Branch, China International Capital Corporation (Singapore) Pte. Limited and Maybank Kim Eng Securities Pte. Ltd. are the joint bookrunners and underwriters for the initial public offering of EC World REIT.

EC WORLD REIT UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD 28 JULY TO 30 SEPTEMBER 2016 AND DISTRIBUTION ANNOUNCEMENT

Summary Results of EC World REIT

	28 Jul to 30 Sep 2016 ⁽¹⁾		Variance Increase/ (Decrease)
	Actual	Forecast ⁽²⁾	+/(-)%
Gross revenue (S\$'000)	16,435	16,290	0.9%
Net property income (S\$'000)	14,986	14,807	1.2%
Distributable income (S\$'000) ⁽³⁾	7,718	7,901	-2.3%
Available distribution per unit (cents) ⁽³⁾	0.991	1.016	-2.5%
Annualized distribution yield ⁽⁴⁾ (%)	6.91%	7.07%	-2.3%

Notes:

- (1) EC World REIT was listed on the SGX-ST on 28 July 2016 ("Listing Date"). The relevant reporting period for this announcement is from 28 July to 30 September 2016.
- (2) The Forecast figures are derived from the pro-rated Forecast Period 2016 figures disclosed in the Prospectus dated 20 July 2016 (the "Prospectus").
- (3) The distribution to unitholders is based on 100% of the distributable income for the period from Listing Date to 30 September 2016. The prospectus of EC World REIT dated 20 July 2016 states at page 96 that "EC World REIT's First Distribution will be for the period from the Listing Date to 31 December 2016 and will be paid by the Manager on or before 31 March 2017. Subsequent distributions will take place on a semi-annual basis. The Manager will endeavour to pay distributions no later than 90 days after the end of each distribution period."

The Manager has decided that it would be in the interest of unitholders to bring forward the first distribution to be paid by EC World REIT and make payment of the first distribution for the period from the Listing Date to 30 September 2016 (instead of 31 December 2016). The next distribution of EC World REIT will be made in respect of the period from 1 October 2016 to 31 December 2016, and will be paid by the Manager on or before 31 March 2017. The Manager will determine at a later stage whether it will change subsequent distribution periods from a semi-annual basis to quarterly basis.

Distribution and Book Closure Date

Distribution	28 July to 30 September 2016
Distribution type	Capital Distribution
Distribution rate	0.991 cents
Book Closure Date	21 November 2016
Payment Date	28 November 2016

- (4) The annualized distribution yield is on a pro-rata basis for 2 months and 4 days from the results from the Listing Date based on the listing price of S\$0.81. The forecast distribution yield is derived from Forecast Period 2016 figures as disclosed in the Prospectus.

For details, please refer to:-

- Item 1(a) Statement of Total Return and Distribution Statement
- Item 9 Variance from Prospect Forecast Statement

EC WORLD REIT UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD 28 JULY TO 30 SEPTEMBER 2016 AND DISTRIBUTION ANNOUNCEMENT

Introduction

EC World REIT is a Singapore-domiciled real estate investment trust that was listed on SGX-ST on 28 July 2016. EC World REIT was constituted as a private trust by the trust deed dated 05 August 2015. EC World Asset Management Pte. Ltd is the Manager of the EC World REIT (“Manager”) and DBS Trustee Limited is the trustee of EC World REIT (“Trustee”).

EC World REIT has been established with the investment strategy of investing principally, directly or indirectly, in a diversified portfolio of income-producing real estate which is used primarily for e-commerce, supply-chain management and logistics purposes, as well as real estate-related assets, with an initial geographical focus in the People’s Republic of China (“PRC”).

The Manager’s key financial objectives are to provide unitholders of EC World REIT (“Unitholders”) with an attractive rate of return on their investment through regular and stable distributions to Unitholders and to achieve long-term sustainable growth in DPU and net asset value (“NAV”) per Unit, while maintaining an appropriate capital structure for EC World REIT.

The portfolio of EC World REIT, constituted at IPO, comprises six properties located in Hangzhou, the PRC, with an aggregate net lettable area (“Net Lettable Area” or “NLA”) of 698,478 sq m. The six properties are:

1. Chongxian Port Investment (Port logistics);
2. Chongxian Port Logistics (Port logistics);
3. Fu Zhuo Industrial (Port logistics);
4. Hengde Logistics (Specialised logistics);
5. Stage 1 Properties of Bei Gang Logistics (E-commerce logistics);and
6. Fu Heng Warehouse (E-commerce logistics);

Capitalised terms used herein, unless otherwise defined, have the meanings as defined in the Prospectus.

EC WORLD REIT UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD 28 JULY TO 30 SEPTEMBER 2016 AND DISTRIBUTION ANNOUNCEMENT

1(a) Statement of Total Return and Distribution Statement

<u>Statement of Total Return</u>	Group		
	Actual 28 Jul to 30 Sep 2016 (S\$'000)	Forecast 28 Jul to 30 Sep 2016 ⁽¹⁾ (S\$'000)	Variance Increase/ (Decrease) ⁽²⁾ %
Gross revenue	16,435	16,290	0.9%
Property operating expenses ⁽³⁾	(1,449)	(1,483)	-2.3%
Net property income	14,986	14,807	1.2%
Finance income	56	637	-91.2%
Finance costs	(4,644)	(4,542)	2.2%
Manager's base fees	(826)	(845)	-2.2%
Trustee's fee	(52)	(54)	-3.7%
Trust and administrative expenses ⁽⁴⁾	(2,632)	(3,627)	-27.4%
Net income	6,888	6,376	8.0%
Net change in foreign exchange gain/(loss) ⁽⁵⁾	11,108	-	N.A
Net change in fair value of financial derivatives ⁽⁶⁾	(781)	-	N.A
Total return for the period before income tax	17,215	6,376	170.0%
Income tax expense	(2,211)	(2,297)	-3.7%
Total return for the period after income tax before distribution	15,004	4,079	267.8%
<u>Distribution Statement</u>			
Total return for the period attributable to Unitholders	15,004	4,079	267.8%
Net effect of non-tax deductible items and other adjustments ⁽⁷⁾	(7,286)	3,822	N/M
Amount available for distribution to Unitholders	7,718	7,901	-2.3%

N.A – Not Applicable
N/M - Not Meaningful

Notes:

1. The Forecast figures are derived from the pro-rata Forecast Period 2016 figures disclosed in the Prospectus.
2. Please refer to item 9 – Variance from Prospect Statement for further details.

EC WORLD REIT UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD 28 JULY TO 30 SEPTEMBER 2016 AND DISTRIBUTION ANNOUNCEMENT

3. Included as part of the property operating expenses were the followings:-

	Actual 28 July 2016 to 30 September 2016 (S\$'000)	Forecast 28 July 2016 to 30 September 2016 (S\$'000)
Operating and property related taxes	1,223	1,149
Property management fee	223	222
Maintenance and others	3	112
Total property operating expenses	1,449	1,483

4. Included under trust and other administrative expenses were S\$2.3 million IPO transaction expenses and stamp duty to be expensed off immediately in the current period, and the remaining are recurring professional and administrative expenses.
5. Included under net change in foreign exchange gain/(loss) were net realized foreign exchange gain of S\$11.6 million on settlement of purchase consideration of the PRC property companies, net-off unrealized foreign exchange loss of S\$0.5 million on revaluation of assets in foreign currency.
6. Fair value change in financial derivatives included a S\$0.75 million negative impact from fair value change in Interest Rate Swap ("IRS") contract and a S\$0.03 million negative impact from fair value change in currency options.
7. Distribution adjustments included expenses relating to Manager's base fees to be paid in Units, IPO expenses and stamp duty expensed off during the current financial period, amortisation of upfront debt issuance costs, straight lining effect of step-up rental, fair value change in financial derivatives, swaption premium and net foreign exchange gain or losses that are unrealized or capital in nature.

	Actual 28 Jul to 30 Sep 2016 (S\$'000)	Forecast 28 Jul to 30 Sep 2016 (S\$'000)
Manager's base fee in units	826	845
IPO transaction expenses	2,148	3,132
Stamp duties	120	141
Amortisation of upfront debt issuance costs	704	716
Straight lining of step-up rental	(1,018)	(1,018)
Fair value change in financial derivatives	781	-
Swaption premium	258	-
Net Foreign exchange loss of unrealized or capital in nature	(11,108)	-
Others	3	6
Total Distribution adjustments	(7,286)	3,822

EC WORLD REIT UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD 28 JULY TO 30 SEPTEMBER 2016 AND DISTRIBUTION ANNOUNCEMENT

1(b) (i) Balance Sheet

	Group		REIT	
	Actual 30 Sep 2016 (S\$'000)	Actual 31 Dec 2015 (S\$'000)	Actual 30 Sep 2016 (S\$'000)	Actual 31 Dec 2015 (S\$'000)
Current assets				
Cash and cash equivalents ⁽¹⁾	111,801	16,032	24,880	-
Trade and other receivables	17,387	171,969	823	-
Total current assets	129,188	188,001	25,703	-
Non-current assets				
Investment properties ⁽²⁾ / Investment in subsidiaries	1,307,319	1,385,169	N/M	-
Development properties ⁽³⁾	-	54,050	-	-
Trade and other receivables	-	526	241,557	-
Deferred income	1,504	-	-	-
Total non-current assets	1,308,823	1,439,745	241,557	-
Total Assets	1,438,011	1,627,746	267,260	-
Current liabilities				
Trade and other payables	10,548	374,823	5,416	167
Derivative Financial liabilities ⁽⁴⁾	781	-	781	-
Borrowings ⁽⁵⁾	2,160	89,361	-	-
Current income tax liabilities	-	4,248	-	-
Total current liabilities	13,489	468,432	6,197	167
Non-current liabilities				
Borrowings ⁽⁵⁾	391,462	205,993	194,355	-
Deferred income tax liabilities ⁽⁶⁾	220,222	234,782	-	-
Security Deposit ⁽¹⁾	61,480	-	-	-
Trade and other payables	-	-	-	-
Government grant ⁽⁷⁾	660	769	-	-
Total non-current liabilities	673,824	441,544	194,355	-
Total Liabilities	687,313	909,976	200,552	167
Net assets attributable to Unitholders	750,698	717,770	66,708	(167)
Represented by:				
Unitholders' funds ⁽⁸⁾	821,277	730,775	66,708	(167)
Foreign currency translation reserve	(70,579)	(13,005)	-	-
	750,698	717,770	66,708	(167)
NAV per unit (S\$)	0.96	N/M	0.09	0.00

N/M - Not Meaningful

EC WORLD REIT UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD 28 JULY TO 30 SEPTEMBER 2016 AND DISTRIBUTION ANNOUNCEMENT

Notes

- (1) Includes RMB301.7 million (S\$61.5 million) security deposits received from the Master Lease tenants.
- (2) Investment Properties are carried at purchase price (determined based on Valuation Report in the Prospectus). Investment properties are pledged as security for the Group's borrowings.
- (3) Development Properties referred to the development of Stage 2 of Bei Gang Logistics which was transferred back to the Sponsor prior to Listing Date.
- (4) This relates to :
- a. the fair value of the foreign currency contract and
 - b. the fair value of the 3 years plain vanilla interest rate swap entered into to hedge the interest rate for 50% of the Offshore Facility.
- (5) Please refer to item 1(b)(ii) Aggregate Amount of Borrowings and Debt Securities for details.
- (6) Relates mainly to the deferred tax liability arising from the fair value gain of Investment Properties in China.
- (7) The Group received grants amounting to S\$809K from the local government authority in the PRC for construction of Phase 2 of Hengde Logistics Property. The grants are recognised as deferred income on initial recognition, and will be recognised in the Statement of Total Return and Distribution Statement over the life of the depreciable asset.
- (8) Please refer to item 1(d)(i) Statement of Changes in Unitholders' Funds for details.

1(b)(ii) Aggregate Amount of Borrowings and Debt Securities

	Group		REIT	
	Actual 30 Sep 2016 (S\$'000)	Actual 31 Dec 2015 (S\$'000)	Actual 30 Sep 2016 (S\$'000)	Actual 31 Dec 2015 (S\$'000)
Secured borrowings				
Amount repayable in one year or less, or on demand	4,120	89,361	-	-
Less: Unamortised debt issuance cost	(1,960)	-	-	-
	2,160	89,361	-	-
Amount repayable after one year	400,526	205,993	200,000	-
Less: Unamortised debt issuance cost	(9,064)	-	(5,645)	-
	391,462	205,993	194,355	-
Total Borrowings	393,622	295,354	194,355	-

Note:

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Details of Collaterals and Borrowings

EC World REIT has in place an aggregate amount of RMB1,004.2 million (S\$204.7 million) Onshore secured term loans facility (the “Onshore Facilities”) and a S\$200 million syndicated secured term loan facility (the “Offshore Facility”).

The key terms of the Onshore Facilities and the Offshore Facility are as follows:

a) Onshore Facilities

EC World REIT has put in place a 3-year RMB1,004.2 million (S\$204.7 million) secured term loan facility. The portion of the loan amounting to RMB 10.6 million (S\$2.2 million) due for repayment in one year or less has been classified as current liability.

The facilities are secured by way of:

- A Pledge over certain investment properties of the Group;
- A Pledge of all sales proceeds, rental income, bond pledge and all other revenue derived from the investment properties of the Group; and
- An assignment of all insurance policies in relation to the investment properties with the onshore security agent (being DBS Bank (China) Limited) named as the first beneficiary

The annualized all-in interest rate for the onshore facility was 6.1%.

b) Offshore Facility

EC World REIT has a 3-year S\$200 million syndicated secured term loan facility secured by way of:

- A Pledge over entire issued equity interest of certain subsidiaries of EC World REIT;
- A Pledge over the Investment Properties of EC World REIT and its subsidiaries (“the Group”); and
- A first priority account charge over all the bank accounts of EC World REIT and its certain subsidiaries relating to and/or in connection with the Investment Properties of the Group and any process relating to Investment Properties of the Group

The annualized all-in interest rate for the Offshore facility was 4.7%.

As at 30 September 2016, these loans were fully drawn down. Fifty percent of the interest rate risk of the Offshore facility was hedged using floating for fixed interest rate swaps. The annualized all-in interest rate for the EC World REIT was 5.44%. The Aggregate Leverage for the Group as at the end of the period was 28.1% as compared to 28.9% as at IPO Listing date.

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1(c) Cash Flows Statement

	Actual 28 Jul to 30 Sep 2016 ⁽¹⁾ (S\$'000)
Cash flows from operating activities	
Net income after tax	15,004
Adjustments for	
- Tax expenses	2,211
- Fair values on financial derivatives	781
- Manager's base fee payable in units	826
- Finance income	(56)
- Finance costs	4,207
- Effects of discounting of security deposit to present value	(49)
- Effect of straight-lining of step-up rental	(1,018)
- Foreign exchange gain	468
Operating cash flows before working capital change	22,374
- Trade and other receivables	41,722
- Trade and other payables	10,817
Net cash generated from operating activities	74,913
Investing activities	
Interest received	56
Net cash used in investing activities	56
Cash flows from financing activities	
Repayment of borrowings	(204,646)
Proceeds from borrowings ⁽²⁾	404,646
Payment of loan transaction fees	(11,809)
Net proceeds from issuance of new units ⁽²⁾	629,785
Issue expenses paid ^{(2) (3)}	(11,569)
Redemption of existing units	(545,936)
Payment of purchase consideration	(230,128)
Net cash generated from financing activities	30,343
Net increase in cash and cash equivalents held	105,312
Cash and cash equivalents at beginning of period	6,356
Effect of exchange rate fluctuations on cash held	133
Cash and cash equivalents at end of period	111,801

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Notes

- (1) **There are no comparatives for the corresponding period of the immediately preceding financial year. As disclosed in the Prospectus, the SGX-ST has granted EC World REIT a waiver from the requirement to prepare historical pro forma financial statements.**
- (2) The proceeds from the issuance of new units and borrowings were used substantially for the redemption of units from the initial unitholder, acquisition of properties, payment of issuance expenses and financing costs.
- (3) Issue expenses comprised professional and other fees, underwriting and selling commission and miscellaneous issue expenses. Such issue expenses were incurred in accordance to transaction cost as disclosed in the Prospectus.

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1(d)(i) Statement of Changes in Unitholders' Funds

	Group	REIT
	Actual	Actual
	28 Jul to 30 Sep 2016 ⁽¹⁾	28 Jul to 30 Sep 2016 ⁽¹⁾
	(S\$'000)	(S\$'000)
OPERATIONS		
Balance as at beginning of period	662,509	(424)
Total Return for the period	15,004	(5,148)
Balance at end of period	677,513	(5,572)
UNITHOLDERS' CONTRIBUTION		
Balance as at beginning of period		
Movements during the period		
- Issue of Units on listing	629,785	629,785
- Redemption of existing units	(545,936)	(545,936)
- Issue expenses ⁽²⁾	(11,569)	(11,569)
- Manager base fee payable in units ⁽³⁾	772	-
Net increase/ (decreas) in net assets resulting from Unitholders' transactions	73,052	72,280
- Movement in foreign currency reserve	133	-
Balance at end of period	73,185	72,280
Total Unitholders' funds at end of the period	750,698	66,708

Notes

- (1) There are no comparatives for the corresponding period of the immediately preceding financial year. As disclosed in the Prospectus, the SGX-ST has granted EC World REIT a waiver from the requirement to prepare historical pro forma financial statements.
- (2) Issue expenses comprised professional and other fees, underwriting and selling commission and miscellaneous issue expenses.
- (3) This represents the value of units to be issued to the Manager as consideration of manager's base fees incurred for the period at an issue price based on a 10 business day volume weighted average price ("VWAP") of EC World REIT traded on the SGX-ST.

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1(d)(ii) Details of Any Change in Units

Group and Trust	Actual 28 Jul to 30 Sep 2016 ⁽¹⁾
Balance as at beginning of period	-
Movements during the period	
- Placement at Listing	777,512,000
Issued units as at end of period	777,512,000
New units to be issued:	
- Manager's base fee payable in units ⁽²⁾	1,003,845
Total issued and issuable units as at end of period	778,515,845

Note

(1) There are no comparatives for the corresponding period of the immediately preceding financial year. As disclosed in the Prospectus, the SGX-ST has granted EC World REIT a waiver from the requirement to prepare historical pro forma financial statements.

(2) These are additional units to be issued to the Manager as consideration of manager's base fees incurred for the period at an issue price based on a 10 business day volume weighted average price ("VWAP") of EC World REIT traded on the SGX-ST.

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

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

3. **Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not Applicable

4. **Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied**

EC World REIT has applied the same accounting policies and methods of computation as in the Prospectus.

5. **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 for, and the effect of the change**

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There is no change in the accounting policies and methods of computation adopted.

6. Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")

	Actual
	28 Jul to 30 Sep 2016 ⁽¹⁾
Weighted average number of units ⁽¹⁾	777,512,000
Earnings per unit ("EPU") – Basic and Diluted (cents) Based on the weighted average number of units in issue	1.93
Distribution per unit ("DPU") ⁽²⁾ (cents)	0.991

Notes

(1) The actual weighted average number of units will comprise the number of units in issue and additional Units to be issued as a result of payment of the Manager's base fees for the period.

The diluted EPU is the same as the basic EPU as no diluted instruments were in issue during the period.

(2) DPU was computed and rounded based on the number of units entitled to distribution at the end of the period. The annualized DPU is approximately 5.60 cents for the financial period.

7. Net Asset Value ("NAV") Per Unit

	30-Sep-16
NAV per unit (S\$) ⁽¹⁾	0.96

Note

(1) The NAV per unit was computed based on the number of units at the end of the period.

8. Review of the Performance

Please refer to Item 9 on the review of performance against the pro-rated forecast figures per the Prospectus for the period.

9. Variance from Prospect Statement

Review of performance between the Actual and Forecast Results

Gross revenue for the period was S\$16.4 million, S\$0.145 million (or 0.9%) higher than the pro-rated forecast. This was due to an increase in rental income of RMB0.315 million (or S\$64K) and the remaining difference of S\$81K was due to favorable exchange rate movement.

Property operating expenses for the period were S\$1.45 million, which was S\$34K (or 2.3%) lower compared with the pro-rated forecast. This was mainly due to savings in maintenance costs of S\$108K, but net of S\$74K increase in operating and property related taxes.

Accordingly, net property income for the period was S\$14.99 million, which was S\$0.18 million (or 1.2%) higher than the forecasted S\$14.81 million.

Finance income for the period was S\$56K which was S\$0.58 million lower (or 91.2%) from the pro-rated forecast. As announced on 30 September 2016 and 14 October 2016 via SGXNet, the Manager has decided to use the security deposits to **part-finance the acquisition** of an asset located in the People's Republic of China from an unrelated third party vendor ("the Acquisition"), as opposed to using the security deposits to invest in the **PRC corporate bonds after taking into account the current volatile PRC corporate bond market**. The variance between the actual and the pro-rated forecast was mainly the result of a shortfall in return from not investing in bonds.

Finance cost for the period was S\$4.64 million, which is S\$0.1 million (or 2.2%) higher than forecast. This was due mainly to currency hedging expenses offsetted by savings in finance cost arising from delay in the Standby Letter of Credit ("SBLC") arrangement.

Trust and administrative expenses for the period was S\$1.0 million lower (or 27.4%) at S\$2.63 million compared to the pro-rated forecast of S\$3.63 million. This was due mainly to savings in IPO expenses incurred.

Accordingly, total return for the period after tax was S\$15.0 million which was S\$10.9 million (or 267.8%) higher compared to the prorated forecast of S\$4.1 million.

This is after accounting for the followings: -

- i. the net realized foreign exchange gain of S\$11.6 million on settlement of purchase consideration of the PRC property companies;
- ii. offset by unrealized foreign exchange loss of S\$0.5 million on revaluation of assets in foreign currency; and
- iii. a negative fair value change in financial derivatives of S\$0.78 million.

After adjusting for distribution adjustment (refer to item 1(a) of this announcement for details), income available for distribution of S\$7.72 million was S\$ 0.18 million (or 2.3%) below the S\$7.90 million pro-rated Forecast 2016 as disclosed in the Prospectus.

10. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting and the next 12 months

Prospects

EC World REIT's assets are all located in Hangzhou. While China's GDP¹ grew 6.9% in 2015 and 6.7% in 1H16, Hangzhou's GDP growth² was 10.2% in 2015 and 10.8% in 1H16 respectively. Hangzhou's growth, which is expected to continue over the next 12 months, rides on the back of its fast-growing high-tech and services industry, notably in the e-commerce sector that has seen a growth of 48.3%².

Chongxian Port Investment and Chongxian Port Logistics are involved in steel logistics and supply chain. Businesses at these two assets have seen strong performances due to growth in steel import to the Hangzhou region. The strong economic growth of Hangzhou continues to drive urbanization and generate strong demand for the use of steel in construction. The solid financial performance of the tenants of our three port assets continues to ensure the stability of our rental structure. Asset enhancement works in Chongxian Port Investment were completed in September 2016.

Our specialized logistics asset, Hengde Logistics, enjoys stable rental income from China Tobacco Zhejiang Industrial Co., Ltd.

The two e-commerce properties, namely Stage 1 Properties of Bei Gang Logistics and Fu Heng Warehouse, are master leased to two operating subsidiaries of the Sponsor. The construction of the two Right of First Refusal ("ROFR") e-commerce properties, namely Fu Zhou E-commerce Properties and Stage 2 of Bei Gang Logistics, are expected to be completed in January 2017 and December 2017 respectively.

According to a McKinsey iConsumer China 2016 survey³, on-line shopper growth in tier 1 and tier 2 cities in China would be 43% while that of tier 3 and tier 4 cities would be 61%. This is despite the softer global economic outlook and the slower economic growth in China. The strong growth in e-commerce will continue to drive demand for e-commerce warehouses.

With the key objectives of providing unitholders with stable distributions and strong long-term growth in particular in the e-commerce sector, the Manager will continue to seek non-ROFR third-party acquisition opportunities in China, with the objective of diversifying its property portfolio.

¹ National Bureau of Statistics of China

² Hangzhou Statistics Bureau, dated 24th August 2016, http://eng.hangzhou.gov.cn/art/2016/8/24/art_811217_2123644.html

³ McKinsey iConsumer China 2016 survey, <http://www.mckinsey.com/industries/retail/our-insights/how-savvy-social-shoppers-are-transforming-chinese-e-commerce>

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11. Distribution

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: Distribution for the period 28 July to 30 September 2016

Distribution types: Capital Distribution

Distribution rate: 0.991 cent per unit

Par value of units: Not meaningful

Tax rate: The Capital Distribution represents a return of capital to unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For unitholders who hold the Units as trading assets, the amount of Capital Distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

Remarks: The distribution to unitholders is based on 100% of the distributable income for the period from Listing Date to 30 September 2016. The Prospectus states at page 96 that "EC World REIT's First Distribution will be for the period from the Listing Date to 31 December 2016 and will be paid by the Manager on or before 31 March 2017. Subsequent distributions will take place on a semi-annual basis. The Manager will endeavour to pay distributions no later than 90 days after the end of each distribution period."

The Manager has decided that it would be in the interest of unitholders to bring forward the first distribution to be paid by EC World REIT and make payment of the first distribution for the period from the Listing Date to 30 September 2016 (instead of 31 December 2016). The next distribution of EC World REIT will be made in respect of the period from 1 October 2016 to 31 December 2016, and will be paid by the Manager on or before 31 March 2017. The Manager will determine at a later stage whether it will change subsequent distribution periods from a semi-annual basis to quarterly basis.

(b) Corresponding period of the preceding financial period

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

Not applicable

(c) Date Payable 28 November 2016

(d) Books Closure 21 November 2016
Date/Record Date

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12. If no distribution has been declared/(recommended), a statement to that effect.

Not Applicable

13. Interested Person Transaction Mandate

EC World REIT does not have in place a general mandate for interested person transactions.

14. Utilisation of IPO Proceeds

Further to the announcement of 28 July 2016 released via SGXNet on the utilisation of IPO Proceeds, which was in accordance with the stated use and amounts allocated in the Prospectus, the balance of approximately S\$6.1 million will be held for working capital purposes. The Manager will make further announcements via SGXNET on the utilisation of the remainder of the said balance as and when such funds are materially disbursed.

15. Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual

The Manager confirmed that it has procured undertakings from all its Directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

16. Negative Assurance Confirmation by the Board

The Board of Directors of the Manager has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material respect.

**On behalf of the Board of the Manager
EC World Asset Management Pte. Ltd.
(Company Registration No. 20153015N)
As manager of EC World Real Estate Investment Trust**

**Zhang Guobiao
Chairman**

**Lai Hock Meng
Chief Executive Officer and Executive
Director**

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IMPORTANT NOTICE

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by the Manager, DBS Trustee Limited (as trustee of EC World REIT), or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Unitholders have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders 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.

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of EC World REIT. The forecast financial performance of EC World REIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

BY ORDER OF THE BOARD
EC WORLD ASSET MANAGEMENT PTE. LTD.
AS MANAGER OF EC WORLD REAL ESTATE INVESTMENT TRUST
(Company Registration No. 20153015N)

Zhang Guobiao
Chairman
27 October 2016