

NEWS RELEASE

EC World REIT's Operating Performance Beats Forecast for Maiden Reporting Period

- Gross revenue and net property income outperformed forecast by 0.9% and 1.2% respectively
- Bringing forward first distribution to Unitholders for the period from the Listing Date¹ to 30 September 2016 (instead of 31 December 2016)
- Currently evaluating a potentially yield-accretive acquisition opportunity in the PRC

Summary of Results for the period 28 July to 30 September 2016:

(S\$'000)	Actual	Forecast	Variance (%)
Gross revenue	16,435	16,290	+0.9%
Net property income	14,986	14,807	+1.2%
Distributable income	7,718	7,901	- 2.3%
Available Distribution per unit (DPU) (Singapore Cents)	0.991	1.016	- 2.5%

Singapore, 27 October 2016 – EC World Asset Management Pte. Ltd., as manager of EC World Real Estate Investment Trust (运通网城房地产投资信托) (“**EC World REIT**”, and as manager of EC World REIT, the “**Manager**”), today announced EC World REIT's performance for its first reporting period from 28 July 2016 to 30 September 2016.

During the financial period under review, EC World REIT reported actual gross revenue of S\$16.4 million, exceeding its gross revenue forecast of S\$16.3 million by 0.9%, due to higher rental income and favourable exchange rate movement. Net property income for the period was S\$15.0 million, which was 1.2% higher than the forecasted S\$14.8 million due to savings in property maintenance costs.

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.

¹ EC World REIT was listed on the SGX-ST on 28 July 2016 (“Listing Date”)



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Finance income for the period was S\$56,000, compared to the forecasted S\$0.6 million. This was mainly the result of a shortfall resulting from the Manager's strategic decision not to invest the security deposits of RMB301.7 million (approximately S\$61.5 million) received from the Master Lease tenants in view of the volatile PRC corporate bond market.

As a result, income available for distribution to unitholders was S\$7.7 million, 2.3% below the forecasted S\$7.9 million as disclosed in the Prospectus even after taking into account lower Trust and administrative expenses, due mainly to savings in IPO expenses. Actual available DPU was 0.991 Singapore cent, compared to the forecasted 1.016 Singapore cent.

Mr. Peter Lai (赖学明), Chief Executive Officer of the Manager said, "EC World REIT reported a solid operating performance for our maiden reporting period – a testament to the strong and stable recurring income generated by our quality assets, backed by Hangzhou's strong economic growth and fast-growing high-tech and services industry."

"Following the listing of EC World REIT, we considered the various options for the use of the security deposits. In light of a potentially yield-accretive acquisition opportunity in the PRC, we concluded that it may be more beneficial to Unitholders for EC World REIT to set aside the security deposits to partially finance this asset from an unrelated third party vendor. This is in line with the Manager's key strategies to provide Unitholders with an attractive rate of return and achieve long-term sustainable growth in DPU."

STABLE PORTFOLIO PERFORMANCE

Businesses at Chongxian Port Investment and Chongxian Port Logistics are seeing solid performances due to the growth in steel import to the Hangzhou region. This was supported by Hangzhou's robust GDP growth of 10.2% in 2015 and 10.8% in the first half of 2016, above China's national average GDP growth of 6.9% in 2015 and 6.7% in the first half of 2016. With continued urbanisation generating strong demand for steel in Hangzhou, the solid financial performance of the tenants of EC World REIT's three port assets, namely Chongxian Port Investment, Chongxian Port Logistics and Fu Zhuo Industrial continue to ensure the stability of its rental structure. Asset enhancement works in Chongxian Port Investment were completed in September 2016.

Meanwhile, EC World REIT's specialised logistics asset, Hengde Logistics, continues to enjoy stable rental income from China Tobacco Zhejiang Industrial Co., Ltd. Its 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.

PRUDENT CAPITAL MANAGEMENT

As at 30 September 2016, total debt stood at approximately S\$393.6 million, with a tenure of three years and a combination of both Singapore dollar and RMB-denominated loans. The annualised all-in interest rate was 5.44% for the period under review.

To mitigate currency and interest rate volatilities, the Manager has hedged S\$100 million, or 50.0% of its secured S\$200 million term loan facility as well as fully hedged its distributions for the financial period ending 31 December 2016 to ensure stability of its Singapore-dollar denominated distributions.

Aggregate leverage remains low at 28.1%, providing EC World REIT with adequate headroom for future acquisitions to drive growth.

DISTRIBUTION POLICY

The Manager has decided 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 first distribution is expected to be payable to Unitholders on 28 November 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.

OUTLOOK

Going forward, Hangzhou's impressive economic growth is expected to continue on the back of its burgeoning high-tech and services industry, notably in the e-commerce sector that has seen a growth of 48.3% according to Hangzhou Statistical Bureau. The expected strong growth in e-commerce in Hangzhou and across China 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.

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ABOUT EC WORLD REIT

Listed on 28 July 2016, EC World REIT is the first Chinese specialised logistics and e-commerce logistics REIT to be listed on Singapore Exchange Securities Trading Limited (SGX-ST). With its initial portfolio of six quality properties located in one of the largest e-commerce clusters in the Yangtze River Delta, EC World REIT offers investors unique exposure to the logistics and e-commerce sectors in Hangzhou, the People's Republic of China ("PRC").

EC World REIT's investment strategy is to invest 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 on the PRC. For more information, please visit: <http://www.ecwreit.com/>

EC World REIT is managed by EC World Asset Management Pte. Ltd., which is an indirect wholly-owned subsidiary of the Sponsor – Forchn Holdings Group Co., Ltd. Established in 1992 and headquartered in Shanghai, the Sponsor is a diversified enterprise group specialising in the real estate sector, industrial sector, e-commerce, logistics and finance. For more information, please visit www.forchn.com.cn

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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.