



EC WORLD REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 5 August 2015 under the laws of the Republic of Singapore)

UPDATE ON EFFECTIVE USE OF SECURITY DEPOSITS

*Capitalised terms used herein, unless otherwise defined, have the meanings as defined in prospectus of EC World Real Estate Investment Trust (“**EC World REIT**”) dated 20 July 2016 and registered by the Monetary Authority of Singapore on 20 July 2016 (the “**Prospectus**”).*

EC World Asset Management Pte. Ltd., as manager of EC World REIT (the “**Manager**”), refers to its announcement dated 26 August 2016 in relation to the use of the security deposits which it received under the Master Leases in the form of cash.

As stated at page 1 of the Prospectus, the Manager’s key financial objectives are to provide unitholders of EC World REIT 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 per Unit, while maintaining an appropriate capital structure for EC World REIT.

The Manager also stated at page 24 of the Prospectus that to achieve its key objectives, the Manager’s key strategies are the following:

- **Asset focus** – focusing on real estate assets which support the e-commerce business;
- **Investment strategy** – investing in value-adding investments, comprising development and acquisition of income-producing properties with strong underlying real estate fundamentals;
- **Acquisition growth strategy** – pursuing opportunities for future income and capital growth through leveraging on the network and experience of the Sponsor and the support provided by the right of first refusal granted by each of the Sponsor and Mr Zhang Guobiao;
- **Organic growth strategy** – optimising organic growth through proactive portfolio and asset management; and
- **Capital and risk management strategy** – adopting prudent capital and risk management through diligent and proactive management of operational, financial, investment and regulatory risks associated with the real estate investment business.

In view of the Manager’s key financial objectives and its key strategies regarding asset focus, investment strategy and acquisition growth strategy, the Manager has been considering asset acquisition opportunities to grow the EC World REIT for the benefit of unitholders of EC World REIT (“**Unitholders**”).

The Manager wishes to state that it is currently exploring an opportunity to acquire an asset located in the People’s Republic of China from an unrelated third party vendor (the “**Acquisition**”). In light of the opportunity to make the Acquisition, the Manager is of the view that it may be more beneficial to Unitholders for EC World REIT to set aside part of the security deposits which it received under the

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.

Master Leases in the form of cash while the Manager explores making the Acquisition. It proposes to use part of the security deposits to part-finance the Acquisition. This would be in line with its key financial objectives and key strategies, as opposed to using all of the security deposits to invest in PRC corporate bonds after taking into account the current volatile PRC corporate bond market. The Manager has earlier stated at pages 116 to 118 of the “Profit Forecast and Profit Projection” section of the Prospectus that the Manager has assumed that cash from the security deposits which EC World REIT received under the Master Leases (amounting to approximately RMB300.0 million) will be invested onshore in PRC corporate bonds.

There is no assurance that any definitive agreement in relation to the Acquisition would be entered into as the Manager is only currently in an exploratory stage in relation to the Acquisition. In the meantime, Unitholders are advised to refrain from taking any action in respect of their units in EC World REIT (“**Units**”) which may be prejudicial to their interests, and to exercise caution when dealing with the Units.

The Manager will, in compliance with its obligations under the Listing Manual of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), make the relevant announcements on SGXNET if or when the definitive agreements have been entered into.

By Order of the Board

Lai Hock Meng
Chief Executive Officer and Executive Director

EC World Asset Management Pte. Ltd.
(Company Registration No. 201523015N)
As manager of EC World Real Estate Investment Trust

30 September 2016

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.