

NEWS RELEASE

EC World REIT Gross Revenue and Net Property Income (“NPI”) increased 30.9% year-on-year

- *Improvement in Gross Revenue and NPI driven largely by absence of one-off rental rebates to tenants in 1Q20 to mitigate adverse impact of COVID-19 and strengthening of RMB by 3.5% year-on-year*
- *In RMB terms, gross revenue and NPI increased 26.0% and 26.1% respectively compared to 1QFY20*
- *Distribution Per Unit (“DPU”) of 1.532 cents is 32.3% and 7.4% higher compared to 1QFY20 and 4QFY20 respectively*

Summary of Results:

	1QFY21 S\$'000	1QFY20 S\$'000	Change %
Gross Revenue	30,802	23,534	30.9
Net Property Income (“NPI”)	27,679	21,138	30.9
Total amount available for distribution	13,736	9,788	40.3
Amount retained ¹	1,375	490	n.m.
Distribution to Unitholders	12,361	9,298	32.9
DPU after retention (Cents)	1.532	1.158	32.3

Singapore, 11 May 2021 – EC World Asset Management Pte. Ltd., as manager of EC World Real Estate Investment Trust (“**ECW**”) (the “**Manager**”) is pleased to report at the start of the financial year with 30.9% growth in revenue and NPI to S\$30.8 million and S\$27.7 million respectively. Total amount available for distribution increased 40.3% to S\$13.7 million. The Manager has resolved to distribute 90% of the total amount available for distribution to Unitholders, with the retained amount in view of uncertainties arising from prolonged COVID-19 pandemic globally and for general working capital purpose. DPU of 1.532 cents is 32.3% higher year-on-year and 7.4% higher than 4QFY20.

¹ Retention of total amount available for distribution in view of uncertainties arising from prolonged COVID-19 pandemic globally and for general working capital purpose

Mr. Goh Toh Sim, Executive Director and CEO of the Manager, said, “The good performance in 1QFY21 was enhanced by the RMB strengthening year-on-year. The Manager will strive to provide a stream of stable and sustainable distribution to Unitholders. As such, the Manager will retain 10% of total amount available for distribution in view of uncertainties arising from prolonged COVID-19 pandemic globally and for general working capital purpose. We will work hand-in-hand with the Property Manager in China to optimize portfolio performance.

On 30 April 2021, we announced an incident of a displacement and collapse of a berth at Chongxian Port Investment. The cause of the incident is under investigation. The Manager is working closely with the insurer to assess the quantum of revenue loss and property damage recoverable by insurance claims. We will update the investment community in a timely manner in the event of any material development.”

Asset Management

ECW continues to maintain a healthy occupancy rate. As at 31 March 2021, the occupancy of ECW’s eight properties was 99.1%. On 7 May 2021, the Manager announced the renewal of a major lease at Hengde Logistics extending WALE to 3.2 years (by gross rental income) from 3.1 years (by gross rental income) as at 31 March 2021, enhancing predictability in returns to the portfolio. This renewal is expected to reduce ECW’s revenue by 0.8%⁽²⁾ as a result of the termination of the warehouse management services and competitive rental rate. The displacement and collapse of the berth at Chongxian Port Investment has resulted in the suspension of operations at the damaged berth and two adjacent berths. The rest of the port operation is not affected. No injuries were reported. Chongxian Port Investment is a port logistics asset which is master-leased to Hangzhou Fu Gang Supply Chain Co., Ltd.

Prudent Capital Management

As at 31 March 2021, ECW’s aggregate leverage was 38.3% with a blended running interest rate of 4.1% for 1QFY21 and a weighted average debt maturity of 1.4 years. For prudent financial management, the Board of Directors has decided to maintain a stable gearing ratio of not more than 40%.

² Annualised based on December 2020 monthly gross revenue

The Manager will continue to actively explore and diversify sources of funding as well as hedging instruments to optimize ECW REIT's capital structure.

Outlook

According to the National Bureau of Statistics of China³, gross domestic product (GDP) in 1Q2021 increased 18.3% to RMB 24,931.0 billion yuan compared to 1Q2020. The sharp spike was partly due to the low base figure of last year and increase of working days due to staff staying put over the Spring Festival in 2021 to minimise the spread of COVID-19⁴. Compared to 4Q2020, GDP increased by 0.6%. China's Premier Li Keqiang has indicated an economic growth target of above 6% for 2021⁵.

Total retail sales in China saw a 34.2% increase year-on-year while online retail sales increased 29.9% year-on-year³. Within Zhejiang Province, online retail sales increased 48.5% vis-à-vis a year ago⁶. The provincial government has set its GDP target for 2021 at more than 6.5%⁷.

The renewal of the lease at Hengde Logistics provides stability to the REIT. In addition, ECW's properties with master leases and embedded rental escalation will provide organic growth to the portfolio. The Manager will continue on its mission to provide Unitholders with a stream of sustainable returns.

- End -

ABOUT EC WORLD REIT

Listed on 28 July 2016, EC World REIT is the first Chinese specialised logistics and e-commerce logistics REIT listed on Singapore Exchange Securities Trading Limited (“**SGX-ST**”). With its portfolio of eight quality properties located predominantly 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 and Wuhan, 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

³ National Bureau of Statistics of China: http://www.stats.gov.cn/tjsj/zxfb/202104/t20210416_1816307.html

⁴ <https://www.channelnewsasia.com/news/asia/china-gdp-grows-record-18-3-in-first-quarter-in-covid-19-rebound-14632688>

⁵ <https://www.channelnewsasia.com/news/commentary/china-economy-monetary-fiscal-policy-pcob-covid-debt-trade-infra-14651974>

⁶ http://www.xinhuanet.com/english/2021-03/18/c_139819122.htm

⁷ http://www.xinhuanet.com/english/2021-01/26/c_139699318.htm



management and logistics purposes, as well as real estate-related assets, with an initial geographical focus on the PRC.

EC World REIT is listed in several indices. These include the FTSE ASEAN All-Share Index, FTSE ST All-Share Index, FTSE ST China Index and FTSE ST Singapore Shariah Index. 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 conglomerate with businesses in supply chain, intelligent manufacturing, medical care and healthcare, finance and other sectors.

For queries, please contact:

Ms Sabrina Tay
Senior Manager, Investor Relations
EC World Asset Management Pte. Ltd.
Tel: +65 6372 9559
Email: ir@ecwreit.com | sabrinatay@ecwreit.com

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.