

## NEWS RELEASE

# EC WORLD REIT renews major lease in relation to Hengde Logistics and secures new lease in relation to Wuhan Meiluote

**Singapore, 14 October 2020** – EC World Asset Management Pte. Ltd., as manager of EC World Real Estate Investment Trust (“**ECW**”) (the “**Manager**”) is pleased to announce the renewal of a major lease amounting to 159,752 square metres (“**sqm**”) in relation to Hengde Logistics, with China Tobacco Zhejiang Industrial Co., Ltd (“**China Tobacco**”).

Mr. Goh Toh Sim, Executive Director and CEO of the Manager, said, “Working closely with our property manager in China, we have been engaging China Tobacco on the lease renewal since October 2019. However, the negotiation was delayed by the COVID-19 situation. We are pleased to report that EC World REIT has successfully renewed the lease at competitive rates. With the renewal of the lease in relation to Hengde Logistics, the Manager has substantially renewed the expiring leases of EC World REIT for 2020. We will continue to work closely with the property manager in China to optimize portfolio performance.”

According to CBRE’s MarketView 2Q2020 report, due to COVID-19 and economic uncertainties, the rental rates for the logistics sector in Hangzhou showed a 0.4% decline quarter-on-quarter. China Tobacco has committed to a lease term of 38 months. The new rental rates represent a 1.1% increase over the expiring rental rates. The warehouse management services currently provided to China Tobacco will no longer be required for the renewal lease term due to their internal restructuring. The termination of the services will reduce ECW’s total revenue by about 1.1% <sup>(1)</sup>.

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<sup>1</sup> Annualised based on 2QFY2020 gross revenue

Separately, the Manager is also pleased to announce that it has successfully leased 22,545 sqm of warehouse and dormitory space at Wuhan Meiluote to a reputable e-commerce company. This new lease was committed at a 4.3% increase in rental rate compared to the previous tenant for a period of three years (warehouse space) and two years (dormitory space). The lease will commence in end-October 2020, bringing Wuhan Meiluote's occupancy to about 79.5%. The Manager will persist in its proactive asset management strategy to manage existing leases and attract new tenants.

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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 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 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.

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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.