

NEWS RELEASE

EC WORLD REIT Achieves 8.5% DPU yield¹

- *Strong overall performance in 2Q18 with Distribution Per Unit (“DPU”) increasing to 1.570 cents, a 1.9% growth y-o-y, translating to annualized DPU of 8.5%¹*
- *Resilient underlying assets portfolio delivering solid topline growth*
- *Expansion by existing tenant, JD.com in Wuhan Meiluote, bringing the occupancy up to 88.2% from 82.2% at acquisition*

Summary of Results for 2Q 2018:

	2Q 2018 S\$'000	2Q 2017 S\$'000	Change %
Gross Revenue	24,926	23,161	7.6
Net Property Income	22,807	21,072	8.2
Distributable Income	12,384	12,010	3.1
DPU (Cents)	1.570	1.540	1.9

Singapore, 7 Aug 2018 – EC World Asset Management Pte. Ltd., as manager of EC World Real Estate Investment Trust (“**ECW**”) (the “**Manager**”) is pleased to announce a strong set of results for the financial quarter ended 30 June 2018.

Net Property Income (“NPI”) increased 8.2% to S\$22.8 million primarily driven by the completion of ECW’s maiden acquisition of Wuhan Meiluote in April 2018 and the continued strong operational performance of the IPO portfolio. DPU rose 1.9% year on year to 1.570 cents.

Commenting on the results, Mr. Goh Toh Sim, Executive Director and CEO of the Manager, said, “Despite the uncertainties in the macro environment, we are pleased to report strong results in the second quarter of 2018. This is a testament to the strength and resilience of

¹ Annualized based on 1H18 DPU of 3.039 Singapore cents and the closing price of S\$0.72 on 30 June 2018

ECW's assets portfolio which continues to deliver steady and predictable returns for our unitholders.”

Strong Portfolio Performance

For 2Q 2018, gross revenue and NPI were S\$24.9 million and S\$22.8 million, a 7.6% and 8.2% increase y-o-y respectively mainly due to strengthening of RMB vis-à-vis 2Q 2017 as well as revenue contribution from Wuhan Meiluote.

Our newly acquired asset Wuhan Meiluote registered strong performance with occupancy increasing by 6 percentage points mainly due to JD.com signing a new lease for expansion space of approximately 2,900 sq m.

As at 30 June 2018, the committed portfolio occupancy was 99.2% while the weighted average underlying end-tenant occupancy² was 96.7%.

Prudent Capital Management

As at 30 June 2018, ECW's aggregate leverage continues to be comparatively low at 29.5%, providing ECW with available debt headroom for growth and future acquisitions. The blended annualized running interest rate for ECW loans was 4.4%.

In order to protect the unitholders from the fluctuations of currency movement, the Manager adopts a prudent FX strategy to hedge majority of projected distributions on a 6-month rolling basis. The strategy is implemented through entering into a put spread options structure. Furthermore, the interest exposure of our offshore SGD loans continues to be fully hedged through an interest rate swap.

Outlook

China's economy expanded by 6.8%³ in the 1H 2018, outperforming market expectation of 6.6%⁴ while online retail sales in China increased by 30.1%³ y-o-y in 1H 2018.

Hangzhou's GDP grew 7.6%⁵ y-o-y in 1H 2018, beating the national average by 0.8%. The e-commerce sector in Hangzhou continues its healthy growth, expanding by 20.1%³ in 1H

² By net lettable area

³ National Bureau of Statistics

⁴ Reuters Polling of Economist

⁵ Hangzhou Bureau of Statistics



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2018 while online retail sales retail rose 26.2%³ y-o-y. Wuhan registered a 3-year high in GDP growth of 8.2%⁶ y-o-y in 1H 2018, outpacing the national average by 1.4%. In 1H 2018, Wuhan's e-commerce sector recorded strong growth, with total transaction volume increasing by 26.5%⁴ y-o-y while online retail sales increased by 41.1%⁴ y-o-y.

Our port logistics assets are located along the largest inland port in Hangzhou which only handles domestic business with no international trade exposure. Similarly, our e-commerce and specialized logistics assets are also focused on the domestic logistic sector and will continue to benefit from the strong economic growth of Hangzhou and Wuhan (both outperforming national averages). The Manager is monitoring any currency movement closely and will continue to adopt a proactive FX hedging strategy.

Last but not least, the Manager will continue to execute its growth strategy to expand its current portfolio through yield accretive acquisitions in China and Southeast Asia through the collaboration with YCH and other opportunities.

- End -

⁶ Wuhan Bureau of Statistics



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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 seven 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. 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.