

NEWS RELEASE

EC World REIT achieves Distribution Per Unit (“DPU”) of 1.388 cents for 3QFY20

- Gross revenue and Net Property Income (“NPI”) increased 10.8% and 14.0% year-on-year respectively mainly due to contribution from Fuzhou E-commerce which was acquired in August 2019 and organic rental escalations.
- Total amount available for distribution grew 3.5% year-on-year to S\$12.3 million attributed to higher revenue offset by higher finance cost due to larger loan quantum
- Distribution to Unitholders of S\$11.2 million, 5.9% lower than 3QFY19 mainly due to 9% retention of total amount available for distribution
- Renewed major lease at Hengde Logistics and secured new leases at Wuhan Meiluote in October 2020
- Resilient portfolio performance with only 3.8% of net lettable area due for renewal for rest of financial year¹
- Stable capital structure with aggregate leverage of 38.3%

Summary of Results:

	3QFY20 S\$'000	3QFY19 S\$'000	Change %
Gross Revenue	28,455	25,675	10.8
Net Property Income (“NPI”)	26,131	22,920	14.0
Total Amount Available for distribution	12,283	11,873	3.5
Amount retained for cash flow management (S\$'000)	1,111	-	n.m
Distribution to Unitholders	11,172	11,873	(5.9)
DPU after retention (Cents)	1.388	1.489	(6.8)

¹ Includes new leases amounting to 22,545 sqm of warehouse and dormitory space at Wuhan Meiluote which commenced in end-October 2020 and renewal of 159,752 sqm of space at Hengde Logistics

Singapore, 9 November 2020 – EC World Asset Management Pte. Ltd., as manager of EC World Real Estate Investment Trust (“**ECW**”) (the “**Manager**”) is pleased to announce a 3.5% increase in total amount available for distribution mainly due to contribution from Fuzhou E-Commerce which was acquired in August 2019 and organic growth from rental escalations. In view of the uncertain COVID-19 situation and economic climate globally, ECW had retained 9% of total amount available for distribution in 3QFY20.

Mr. Goh Toh Sim, Executive Director and CEO of the Manager, said, “We are pleased to declare a DPU of 1.388 Singapore cents, translating to an annualized yield of 7.7%² for 3QFY20. We have noted improvement in ECW’s portfolio with the renewal of a major lease in relation to Hengde Logistics and signing of new leases at Wuhan Meiluote at competitive rates. We continue to work hand-in-hand with the Property Manager to optimize portfolio performance.

The macroeconomic situation continues to be dependent on the sustainability of the COVID-19 epidemic control globally as well as geo-political climate. For prudence, ECW had retained 9% of its total amount available for distribution in 3QFY20.”

Active Portfolio Management

As at 30 September 2020, EC World REIT has a portfolio occupancy of 96.7% and a weighted average lease to expiry (“WALE”) of 3.3 years (by gross rental income) and 2.6 years (by net lettable area).

In October 2020, the Manager announced the renewal of a major lease for 159,752 sqm of space in relation to Hengde Logistics, with China Tobacco Zhejiang Industrial Co., Ltd (“China Tobacco”) and new leases totalling 22,545 sqm of warehouse and dormitory space at Wuhan Meiluote to a reputable e-commerce company. Including these leases, portfolio occupancy would be 99%¹ with only 3.8% of net lettable area due for renewal for the rest of the financial year.

The Manager will endeavour on its proactive asset management strategy to enhance returns to the portfolio.

² Based on annualized DPU of 5.252 Singapore cents and closing price of S\$0.680 per unit as at 30 Sept 2020.

Stable Capital Structure

As at 30 September 2020, ECW has an aggregate leverage of 38.3% with a blended running interest rate of 4.2% for 3QFY20. To mitigate currency risk, the Manager hedged 100% of the interest rate risk of ECW's offshore loans using floating to fixed interest rate swaps and cross currency swaps.

The Manager continues to maintain a stable capital structure with no refinancing requirement in the near-term. 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 China's National Bureau of Statistics³, major economic indicators have showed across-the-board improvements. China reported a 4.9% year-on-year gross domestic product (GDP) expansion in the third quarter of 2020. In the first three quarters, the country's GDP expanded 0.7% year-on-year, returning to growth after the 1.6% contraction in the first half of the year and 6.8% slump in Q1.

Industrial output rose 5.8% while retail sales reported its first quarterly expansion, up 0.9% year-on-year in Q3. Online retail sales reached registered a 9.7% growth to RMB8,006.5 billion for the first three quarters of 2020, 2.4% higher than that of the first half of this year. While the COVID-19 situation has stabilised in China, the Chinese government cautioned that a sustained recovery will still be dependent on the global macro situation as well as continued epidemic control within China⁴.

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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

³ National Bureau of Statistics, China: http://www.stats.gov.cn/english/PressRelease/202010/t20201019_1794616.html

⁴ Xinhua news: http://www.xinhuanet.com/english/2020-10/19/c_139452017.htm



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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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.