

## NEWS RELEASE

### EC World REIT reports Distribution Per Unit (“DPU”) of 6.263 cents for FY2021

- Gross revenue and NPI increased largely attributed to absence of one-off rebates provided to tenants in FY2020 and strengthening of RMB
- DPU of 6.263 cents, represent a year-on-year increase of 16.9%
- Manager elect to make a one-off voluntary waiver of its entitled performance fee to the extent of rental rebate provided in FY2020
- Commenced refinancing plans for debt due in 2022

#### Summary of Results:

|  | <b>FY2021</b><br><b>S\$'000</b> | <b>FY2020</b><br><b>S\$'000</b> | <b>Change</b><br><b>%</b> |
|--|---------------------------------|---------------------------------|---------------------------|
| Gross Revenue  | 125,488                         | 109,726                         | 14.4                      |
| Net Property Income (“NPI”)                              | 113,025                         | 100,307                         | 12.7                      |
| Total amount available for distribution                  | 51,907                          | 47,230                          | 9.9                       |
| Distribution Amount Available per Unit (Singapore cents) | 6.421                           | 5.869                           | 9.4                       |
| Distribution to Unitholders <sup>1</sup>                 | 50,615                          | 43,111                          | 17.4                      |
| DPU (Cents) <sup>1</sup>                                 | 6.263                           | 5.359                           | 16.9                      |

**Singapore, 23 February 2022** – EC World Asset Management Pte. Ltd., as manager of EC World Real Estate Investment Trust (“**ECW**”) (the “**Manager**”) is pleased to conclude FY2021 with a DPU of 1.537 cents for 4QFY2021. For FY2021, DPU is 16.9% higher than FY2020 at 6.263 cents, translating to a trading yield of 8.1%<sup>2</sup>. The Manager has retained about 6.2% of the total amount available for distribution in FY2021 for general working capital purposes.

<sup>1</sup> FY2021 includes payout of distribution previously retained in 4Q2019, 1Q2020 and 2Q2020 (partial) in 2Q2021 amounting to approximately S\$2.0 million. The Manager has retained about 6.2% of the total amount available for distribution in FY2021 for general working capital purposes.

<sup>2</sup> Based on closing price of S\$0.77 per unit as at 31 December 2021.

Mr. Goh Toh Sim, Executive Director and CEO of the Manager, said, “We continue to strive to deliver on our mission of providing stable and predictable returns to Unitholders. On the back of strengthening RMB and absence of rental rebate provided in FY2020, gross revenue for FY2021 was 14.4% higher year-on-year. NPI of S\$113.0 million was 12.7% higher compared to FY2020. In RMB terms, the gross revenue and NPI were 9.8% and 8.2% higher respectively compared to FY2020. Asset portfolio performance remains resilient with occupancy at 99.2%.

For FY2021, the Manager has elected to make a voluntary one-off waiver of its entitled performance fee of about S\$0.8 million, being the extent of the rental rebates provided in FY2020 which resulted in a lower DPU for the last financial year. Should the Manager choose to collect its performance fee entitlement in full, DPU would have been 6.217 cents instead of 6.263 cents for FY2021.”

### **Investment and Asset Management**

On 17 May 2021, the Manager announced that ECW has been approached by Forchn International Pte. Ltd. in relation to a potential transaction (the “**Potential Transaction**”) involving ECW’s interests in all of its properties, which may or may not lead to the divestment of these properties. In December, the Manager was informed by Forchn International Pte. Ltd. that it has decided not to proceed with the Potential Transaction.

ECW has a stable portfolio occupancy of 99.2% and weighted average lease to expiry (“**WALE**”) of 2.7 years (by gross rental income) as at 31 December 2021. Excluding Fu Zhuo Industrial, WALE would have been 2.6 years (by gross rental income).

### **Stable Capital and Debt Structure**

ECW’s aggregate leverage remains stable at 38.2% as at 31 December 2021 with a blended running interest rate of 4.1% for FY2021. Weighted average debt maturity stands at 0.63 years as at 31 December 2021. China cut its key lending rates in its effort to push down borrowing costs to spur consumption and investments<sup>3</sup>. The Manager has commenced its refinancing plans and will keep the investing community updated of any material development.

<sup>3</sup> CNBC: <https://www.cnbc.com/2022/01/20/china-economy-pboc-cuts-loan-prime-rates-lpr-for-1-year-5-year.html>

## Outlook

According to the official figures released by the National Bureau of Statistics, China's economy grew by 8.1% in 2021 to about \$18 trillion despite domestic and global challenges, including epidemic resurgences and a complicated external environment. This increase is higher than the 6% growth target set by the Chinese government for 2021. Nevertheless, for 4Q2021, the economy slowed to 4.0% growth from the 4.9% growth in 3Q2021. The Chinese government warned of the triple pressure of demand contraction, supply shocks and weakening expectations amid an increasingly complicated external environment<sup>4</sup>.

On 10 January 2022, the Manager announced that ECW received a formal notice (the "**Notice**") from the Chongxian Sub-district Office of the People's Government of Linping District, Hangzhou City, People's Republic of China ("PRC") in relation to the Compulsory Expropriation of Fu Zhuo Industrial ("**Compulsory Expropriation**"). In accordance to the Notice, ECW is entitled to receive compensation based on the expropriation valuation of Fu Zhuo Industrial. The Manager is in discussion with the relevant authorities on the details of the Compulsory Expropriation and will provide further updates once it has more information. This compulsory expropriation is not expected to have a material impact on ECW's portfolio. Fu Zhuo Industrial accounts for 1.48% of ECW's portfolio valuation as at 31 December 2021 and 1.4% and 1.6% of ECW's gross revenue and net property income for the financial year ended 31 December 2021 respectively.

The Manager remains committed to exploring new opportunities to enhance the long-term value of ECW for unitholders and stakeholders.

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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

<sup>4</sup> National Bureau of Statistics (NBS): [http://www.stats.gov.cn/english/PressRelease/202201/t20220117\\_1826409.html](http://www.stats.gov.cn/english/PressRelease/202201/t20220117_1826409.html)



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 as well as FTSE ST China 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:**

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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.