

**NEWS RELEASE**

**EC WORLD REIT REPORTS STRONG 4Q 2016 RESULTS  
NPI and DPU both Outperform IPO Forecast**

- *Operating performance for 4Q 2016 exceeded IPO forecast*
- *Gross Revenue and Net Property Income (“NPI”) outperformed forecast by 7.5% and 4.1% respectively*
- *Distribution per unit (“DPU”) for 4Q 2016 of 1.463 cents, translating into an annualized DPU yield of 8.2%<sup>1</sup>*
- *Unique portfolio of specialized industrial and e-commerce logistics assets provides both income stability and growth potential*

**Summary of Results for the Period from 1 October 2016 to 31 December 2016:**

	1.10.16 to 31.12.16			28.7.16 to 31.12.16		
	Actual	Forecast	Change	Actual	Forecast	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross Revenue	24,739	23,004	7.5%	41,175	39,294	4.8%
Net property income	21,774	20,909	4.1%	36,761	35,716	2.9%
Income available for distribution	11,387	11,164	2.0%	19,109	19,059	0.3%
DPU (cents)	1.463	1.434	2.0%	2.454	2.448	0.2%

**Singapore, 22 February 2017** – EC World Asset Management Pte. Ltd., as manager of EC World Real Estate Investment Trust (“**ECW**”) (the “**Manager**”) is pleased to announce that ECW’s results for the financial quarter ended 31 December 2016 have outperformed its IPO forecast<sup>2</sup>.

DBS Bank Ltd. is the sole financial adviser, global coordinator and issue manager for the initial public offering of EC World REIT. DBS Bank Ltd., Bank of China Limited, Singapore Branch, China International Capital Corporation (Singapore) Pte. Limited and Maybank Kim Eng Securities Pte. Ltd. are the joint bookrunners and underwriters for the initial public offering of EC World REIT.

<sup>1</sup> Based on the bid price of S\$0.70 as at 22 Feb 2017

<sup>2</sup> As disclosed in the prospectus dated 20 July 2016 and to be read with the assumptions set out therein

ECW achieved a Distributable Income of S\$11.4 million, exceeding forecast by 2.0%. This was mainly due to the strong operating performance of the underlying asset portfolio and favorable exchange rate movement between Renminbi (“RMB”) and Singapore dollars. Gross revenue was S\$24.7 million, an increase of S\$1.7 million or 7.5% compared to the pro-rated forecast. NPI was S\$21.8 million, an increase of S\$0.9 million or 4.1% compared to the pro-rated forecast.

Mr. Peter Lai, CEO of the Manager, said, “We are pleased that ECW delivered forecast-beating performance across the board for the latest financial quarter. This is underpinned by the quality of our asset portfolio and solid execution of our asset management strategies. Moving forward, we continue to be optimistic of the prospects for ECW, as it is uniquely positioned to benefit from the rapid growth of the PRC e-commerce industry”.

### **Strong Portfolio Performance**

The overall portfolio valuation in RMB increased by 0.8% year-on-year from RMB6,356.5 million as at 31 December 2015 to RMB6,407.0 million as at 31 December 2016. In Singapore dollars equivalent terms, the value of the Investment Properties was S\$1,333 million as at 31 December 2016.

ECW has a diversified portfolio of stable and specialized industrial and e-commerce logistics assets with 30.7%<sup>1</sup> of the portfolio in the e-commerce sector, which is the growth focus for ECW.

Chongxian Port Investment enjoyed a 4.4% increase in income following the completion of an asset enhancement initiative that involved conversion of 24,108 sqm of storage yard space to warehouse space.

### **Prudent Capital Management**

As at 31 December 2016, ECW’s aggregate leverage remains relatively low at 27.6% providing ECW with available debt headroom for growth and future acquisitions.

ECW has in place a RMB1,004.2 million (S\$209.0 million) onshore syndicated secured term loan facility (the “Onshore Facilities”) and a S\$200 million syndicated secured term loan facility (the “Offshore Facility”).

<sup>1</sup> By net lettable area

At the same time, 50% of the interest rate risk of the Offshore Facility was hedged using floating for fixed interest rate swaps. The blended annualized all-in interest rate for the ECW loans was 5.4%.

## Outlook

China's economy expanded by 6.7%<sup>1</sup> for the full year 2016 while Hangzhou's GDP growth was 9.5%<sup>2</sup> in 2016. ECW's 6 assets are all located in Hangzhou, benefiting from the stronger performance of Hangzhou's economy when compared to the national average across China. The e-commerce sector in Hangzhou expanded by 44.4%<sup>3</sup> in 2016.

Chongxian Port continues to enjoy growth in throughput as a result of the urbanization in Hangzhou, driven by the strong 9.5% economic growth. The three Chongxian Port assets (being Chongxian Port Investment, Chongxian Port Logistics and Fu Zhuo Industrial) are expected to enjoy stable rental revenue going forward.

According to China's National Bureau of Statistics, online retail sales in China grew 26.2% in 2016, more than double the growth rate of overall retail sales in the country. Stage 1 Properties of Bei Gang Logistics and Fu Heng Warehouse are both e-commerce focused assets which are expected to benefit from the strong growth of the e-commerce sector in China.

Barring unforeseen circumstances, the 6 assets in the portfolio are expected to continue to achieve full occupancy and stable growth.

ECW is expected to grow regionally through yield-accretive acquisitions from the pipeline of ROFR assets from the Sponsor as well as third party logistics assets.

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<sup>1</sup> National Bureau of Statistics of China, released on 24<sup>th</sup> January 2017: <http://www.stats.gov.cn>

<sup>2</sup> Hangzhou statistics, released on 24<sup>th</sup> January 2017: <http://www.hzstats.gov.cn>

<sup>3</sup> Hangzhou statistics, released on 6<sup>th</sup> February 2017: <http://www.hzstats.gov.cn>



**EC World**  
运通网城 REIT

## 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 initial portfolio of six quality properties located 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, 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](http://www.forchn.com.cn)

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**EC World**  
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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.