

NEWS RELEASE

**EC WORLD REIT CONTINUES TO OUTPERFORM FORECASTS
IN 1Q2017**

- *Strong operating and financial performance exceeding IPO forecasts for the second consecutive quarter*
- *Gross Revenue and Net Property Income (“NPI”) outperformed forecast by 4.6% and 5.4% respectively*
- *Distribution per unit (“DPU”) for 1Q 2017 of 1.541 cents, 5.3% higher than that of 4Q 2016, translating into an annualized DPU yield of 8.3%¹*

Summary of Results for the Period 1 January 2017 to 31 March 2017:

	1.1.2017 to 31.3.2017		
	Actual	Forecast	Change
	S\$'000	S\$'000	%
Gross revenue	23,663	22,613	4.6
Net property income	21,601	20,500	5.4
Distributable income	12,024	11,622	3.5
DPU (cents)	1.541	1.464	5.3

Singapore, 11 May 2017 – EC World Asset Management Pte. Ltd., as manager of EC World Real Estate Investment Trust (“**ECW**”) (the “**Manager**”) is pleased to announce ECW’s results for the financial quarter ended 31 March 2017 which have again outperformed its IPO forecast.

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.

¹ Based on the closing price of S\$0.755 as at 31 March 2017

ECW achieved a Distributable Income of S\$12.0 million, exceeding forecast and previous quarter by 3.5% and 5.6% respectively. This was mainly due to the strong operating performance of the underlying asset portfolio, lower finance costs and other trust expenses.

Mr. Alvin Cheng, CEO and Executive Director of the Manager, said, “We are pleased that ECW reported another quarter of strong results and exceeded our forecasts. This is a testament to the strength and stability of our underlying portfolio of specialized assets and our proactive asset management strategies.” “As we continue to deliver good returns for our unitholders, we will also focus on growing our portfolio through yield accretive acquisitions.”

Strong Portfolio Performance

Gross revenue was S\$23.7 million, an increase of S\$1.1 million or 4.6% compared to the pro-rated forecast. NPI was S\$21.6 million, an increase of S\$1.1 million or 5.4% compared to the pro-rated forecast. The higher NPI was mainly due to additional rental income from the sheltered warehouse in Chongxian Port Investment, lower property expenses and favorable SGD/RMB exchange rate.

In addition, the weighted average underlying end-tenant occupancy¹ of the portfolio continues to improve, reaching 98.3% as at 31 March 2017 compared with 94.4% at listing.

Prudent Capital Management

As at 31 March 2017, ECW’s aggregate leverage remains relatively low at 28.6% providing ECW with available debt headroom for growth and future acquisitions.

ECW has an aggregate amount of RMB998.9 million (S\$202.5 million) (2016: RMB1,004.2 million, equivalent to S\$203.6 million) onshore secured term loans facility (the “Onshore Facilities”), a S\$200.0 million syndicated secured term loan facility (the “Offshore Facility”) and a revolving credit facility of S\$50.0 million.

During 1Q 2017, the management further reduced the interest rate risk exposure of ECW by hedging the remaining 50% of the Offshore Loan Facility using fixed for floating interest rate swaps. As at 31 March 2017, 100% of the Offshore Loan Facility is on fixed rate,

¹ By net lettable area

providing further certainty to ECW's distributable income. The blended annualized all-in interest rate for the ECW loans was 5.4%.

Outlook

China's economy expanded 6.9%¹ for the first quarter in 2017, better than the 6.5%² government target as well as consensus estimates. All of ECW's assets are currently located in Hangzhou and its GDP continued to grow at a pace faster than the national average at 8.1%³ in 1Q 2017.

The three Chongxian Port assets (being Chongxian Port Investment, Chongxian Port Logistics and Fu Zhuo Industrial) are expected to continue to benefit from the strong economic growth in the Hangzhou area as well as favorable supply demand dynamics. Business at Hengde Logistics, which provides customized tobacco storage and related warehousing services for China Tobacco Zhejiang Industrial Co. Ltd, is expected to be stable.

According to China's National Bureau of Statistics, online retail sales in China grew 25.8% in 1Q 2017, more than double the growth rate of overall retail sales in the country. During the same period, the e-commerce sector in Hangzhou expanded by 45.8%³. These positive developments provide a highly favorable operating environment for ECW e-commerce logistics assets, namely Stage 1 Properties of Bei Gang Logistics and Fu Heng Warehouse.

ECW is currently actively pursuing and evaluating certain high quality, yield accretive acquisition opportunities in China and in the Southeast Asia region.

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¹ National Bureau of Statistics of China

² Announcement by Premier Li Keqiang at National People's Congress

³ Hangzhou statistics



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

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EC World
运通网城 REIT

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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.