

NEWS RELEASE

EC WORLD REIT MAINTAINED STABLE PERFORMANCE AND PURSUED LIQUIDITY ENHANCEMENT INITIATIVE IN 3Q17

- *Maintained sustainable portfolio operating performance with Gross Revenue and Net Property Income (“NPI”) outperforming forecast by 5.5% and 7.7% respectively in 3Q17*
- *Distribution per unit (“DPU”) for 3Q 2017 is 1.44 cents, 3.7% lower than forecast due to impact of withholding tax (“WHT”) incurred during cash repatriation process*
- *On a like-for-like basis¹, DPU would be 1.53 cents, 2.3% higher than forecast*

Summary of Results for the Period 1 Jul 2017 to 30 Sep 2017:

	1.7.17 to 30.9.17			1.1.17 to 30.9.17		
	Actual	Forecast	Change	Actual	Forecast	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross Revenue	23,866	22,613	5.5	70,690	67,839	4.2
Net Property Income	22,086	20,500	7.7	64,759	61,500	5.3
Distributable Income	11,281	11,626	(3.0)	35,315	34,869	1.3
DPU (cents)	1.440	1.496	(3.7)	4.521	4.440	1.8

Singapore, 8 November 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 unaudited results for the financial quarter ended 30 September 2017.

DBS Bank Ltd. was 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. were the joint bookrunners and underwriters for the initial public offering of EC World REIT.

¹ Excluding the impact of 5% withholding tax

ECW delivered another quarter of stable operating performance whilst substantiating the liquidity management alternatives available to the REIT to ensure maximum operational flexibility, through the successful repatriation of RMB 68.2 million (SGD 13.9 million) cash distribution from its PRC subsidiaries during 3Q 2017.

As a result of the above, ECW has declared a DPU of 1.44 cents for 3Q 2017, which is 3.7% lower than forecast due to WHT incurred during the cash repatriation process. Removing the impact of WHT, the DPU would be 1.53 cents, exceeding the forecast by 2.3%.

Notwithstanding, for the 9 months of 2017, ECW delivered DPU of 4.521 cents to its unitholders, which is 1.8% higher than the forecast. This was mainly due to strong operating performance of the underlying asset portfolio, lower finance costs and effective expenses and cash management.

Mr. Alvin Cheng, CEO and Executive Director of the Manager, said, “Our portfolio has continued to deliver a stable set of results for our unitholders, demonstrating the sustainability of ECW’s portfolio.” “At the same time, we continue to be prudent in managing our capital and financial risk while enhancing financial and operational flexibility.”

Stable Portfolio Performance

Gross revenue for 3Q 2017 was S\$23.9 million for the quarter (an increase of S\$1.3 million or 5.5% compared to the pro-rated forecast), whereas NPI was S\$22.1 million (an increase of S\$1.6 million or 7.7% compared to the pro-rated forecast). The higher NPI was mainly due to additional rental income from the completion of the asset enhancement initiative (construction of a sheltered warehouse) at Chongxian Port Investment, lower property expenses and favorable SGD/RMB exchange rate vis-à-vis forecast assumption.

Correspondingly, for the 9 months of 2017, ECW recorded a gross revenue and NPI of S\$70.7 million and S\$64.8 million, which are 4.2% and 5.3% higher than the pro-rated forecast respectively.

In addition, the committed occupancy continues to stand at 100% while the weighted average underlying end-tenant occupancy¹ of the portfolio was 97.8% as at 30 September 2017.

¹ By net lettable area

Prudent Capital Management

In line with our proactive risk management strategy, ECW has entered into a SGD/RMB forward contract to hedge the FX exposure of our RMB income source for distributions up to 4Q 2017.

As at 30 September 2017, ECW's aggregate leverage remains conservative at 29.2%, thus providing ECW with available debt headroom for growth and future acquisitions.

ECW has an aggregate amount of RMB993.6 million (S\$202.1 million) onshore secured term loan facility (the "Onshore Facilities"), and a S\$200.0 million syndicated secured term loan facility (the "Offshore Facility") as well as a revolving credit facility of S\$50.0 million, of which S\$24.0 million has been drawn down. 100% of the Offshore Loan Facility is at fixed rate, providing further certainty to ECW's distributable income. The blended annualized all-in interest rate for the ECW loans was 5.4% for the 9 months ended 30 September 2017.

Outlook

China's economy expanded 6.8%¹ for 3Q 2017, in line with market expectations and ahead of government's full year growth target of 6.5%. All of ECW's assets are currently located in Hangzhou and its GDP grew at a healthy 8.3%² in the first 9 months of 2017, thereby stimulating demand for logistics warehouse facilities.

According to China's National Bureau of Statistics, online retail sales in China grew 34.2% in first 9 months of 2017, more than triple the growth rate of overall retail sales in the country, whereas the e-commerce sector in Hangzhou surged by 38.5%² during the same period. The continued strong growth momentum in China e-commerce provides a highly favorable operating environment for ECW's e-commerce logistics assets.

Given the prevailing sound economic conditions, our portfolio is expected to continue to deliver stable returns for our unitholders. The weighted average lease expiry of our portfolio stands at 3.2 years³ with no significant leases expiring in the next 2 years. Furthermore, most of our leases (including all 3 master leases) have built-in annual rental escalations.

¹ National Bureau of Statistics of China

² Hangzhou Statistics

³ As at 30 September 2017 and by gross revenue



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

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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 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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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.