

NEWS RELEASE

EC WORLD REIT REPORTS STEADY RESULTS AND EXECUTES GROWTH STRATEGY IN 1Q2018

- Asset portfolio continues to deliver stable performance, recording Net Property Income (“NPI”) of S\$21.5 million and Distribution Per Unit (“DPU”) of 1.469 Singapore cents
- Lower DPU y-o-y as a result of withholding tax (“WHT”) incurred during the cash repatriation exercise completed in March 2018. No further such exercise planned for the remaining FY2018
- Completed acquisition of a 3rd party e-commerce logistics asset in Wuhan, China for RMB145 million, strategically expanding ECW’s geographical footprint

Summary of Results for 1Q 2018:

	1Q 2018 S\$'000	1Q 2017 S\$'000	Change %
Gross revenue	23,939	23,663	1.2%
Net property income	21,490	21,601	(0.5%)
Distributable income	11,562	12,024	(3.8%)
Adj. distributable income without WHT	12,353	12,024	2.7%
DPU (cents)	1.469	1.541	(4.7%)
Adj. DPU without WHT (cents)	1.570	1.541	1.9%

Singapore, 10 May 2018 – 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 2018.

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.

For 1Q 2018, ECW delivered a stable NPI of S\$21.5 million and DPU of 1.469 Singapore cents. The lower DPU (-4.7% y-o-y) was mainly due to the 5% WHT incurred as part of the cash repatriation exercise conducted in March 2018. No further cash repatriation is currently planned for the rest of FY2018. Without the WHT, distributable income and DPU would have been S\$12.4 million and 1.570 Singapore cents which are 2.7% and 1.9% higher than 1Q 2017 respectively.

Commenting on the results, Mr. Goh Toh Sim, Executive Director and CEO of the Manager, said, “our asset portfolio continues to deliver consistent returns and attractive DPU yield for our unitholders. We also pleased to have completed our first acquisition of a high quality e-commerce warehouse in Wuhan and will continue to work hard to secure more yield accretive acquisitions to expand our portfolio.”

Stable Portfolio Performance

For 1Q 2018, gross revenue was S\$23.9 million, an 1.2% increase y-o-y. NPI was S\$21.5 million, a slight drop of 0.5% y-o-y primarily due to higher property maintenance and repair expenses.

The committed portfolio occupancy remains at 100% while the weighted average underlying end-tenant occupancy¹ of the portfolio was 97.5% as at 31 March 2018.

As at 31 March 2018, ECW’s aggregate leverage remains relatively low at 28.9% providing ECW with ample debt headroom for growth and future acquisitions. The blended annualized running interest rate for the ECW loans was 4.5%.

Acquisition Update

The Manager announced on 28 February 2018 the acquisition of an e-commerce logistics asset in Wuhan (Wuhan Meiluote) for RMB145 million, China and the acquisition has since been completed on 16 April 2018. Wuhan Meiluote is a high specification warehouse anchored by two top tier Chinese e-commerce players Jingdong and Dang Dang and is strategically located near major expressways in western part of Wuhan, a key transportation node in central China. This is ECW’s maiden acquisition which reinforces ECW’s unique proposition as a specialized e-commerce logistics platform and is expected to be DPU accretive.

¹ By net lettable area

Outlook

China's economy expanded 6.8%¹ during 1Q 2018 outperforming the market expectation of 6.7%². Hangzhou's GDP growth was 7.4%³ in 1Q 2018, beating the national average again. The e-commerce sector in Hangzhou continues its healthy growth, expanding by 20.6%⁴ in 1Q 2018. According to China's National Bureau of Statistics, online retail sales in China grew 35.4% in 1Q 2018.

6 of the 7 assets in ECW's portfolio are located in Hangzhou, enjoying city's continued economic growth and expansion of the e-commerce sector. Income from Wuhan Meiluote will be attributable to ECW in 2Q 2018 and the asset portfolio as a whole is expected to continue to deliver stable income and returns for our unitholders.

On the acquisitions front, the Manager continues to focus on expanding our portfolio and footprint by sourcing for yield accretive acquisition opportunities both in China and in key high growth markets in Southeast Asia along the Belt and Road corridor. As jointly announced by Forchn Holdings and YCH Group on 24 April 2018, a portfolio of 13 logistics assets currently owned by YCH Group will be made available for ECW's consideration for potential acquisition subject to due diligence, commercial negotiation and customary regulatory approvals.

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¹ National Bureau of Statistics

² Reuters polling of economists

³ Hangzhou Bureau of Statistics

⁴ Hangzhou Bureau of 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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IMPORTANT NOTICE

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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.