

NEWS RELEASE

**EC WORLD REIT CONTINUES STRONG MOMENTUM,
OUTPERFORMING FORECAST**

- *Consistent and strong operating and financial performance exceeding IPO forecasts for the third consecutive quarter*
- *Gross Revenue and Net Property Income (“NPI”) outperformed forecast by 2.4% and 2.8% respectively*
- *Distribution per unit (“DPU”) for 2Q 2017 of 1.54 cents, 4.1% higher than forecast, translating into an annualized DPU yield of 7.7%¹*

Summary of Results for the Period 1 April 2017 to 30 June 2017:

	1.4.17 to 30.6.17			1.1.17 to 30.6.17		
	Actual S\$'000	Forecast S\$'000	Change %	Actual S\$'000	Forecast S\$'000	Change %
Gross Revenue	23,161	22,613	2.4	46,824	45,226	3.5
Net Property Income	21,072	20,500	2.8	42,673	41,000	4.1
Distributable Income	12,010	11,621	3.3	24,034	23,243	3.4
DPU (cents)	1.54	1.48	4.1	3.08	2.94	4.8

Singapore, 3 August 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 30 June 2017 which is the third consecutive quarter in which ECW has outperformed its IPO forecast.

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 Based on the closing price of S\$0.81 as at 30 June 2017

ECW achieved a DPU of 1.54 Singapore cents in 2Q 2017, exceeding forecast by 4.1%. For the first half of 2017, ECW delivers a DPU of 3.08 Singapore cents to its unitholders, which is 4.8% higher than the forecast. This was mainly due to 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 delighted that ECW delivered another set of strong results exceeding our forecasts for the third consecutive quarter. The consistency of our performance and stability of our distributions are the key objectives for the Manager to achieve.” “While we continue to be proactive in our asset, financial and risk management, we are also reviewing potential opportunities to expand our footprint both in China and across the region.”

Solid Portfolio Performance

Gross revenue for 2Q 2017 was S\$23.2 million for the quarter, an increase of S\$0.5 million or 2.4% compared to the pro-rated forecast. NPI was S\$21.1 million, an increase of S\$0.6 million or 2.8% 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.

For the first half of 2017, ECW has recorded a gross revenue and NPI of S\$46.8 million and S\$42.7 million. 3.5% and 4.1% 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 is 96.4% as at 30 June 2017.

Prudent Capital Management

During the quarter, as part of our proactive risk management strategy, ECW has entered into two SGD/RMB forward contracts (at the rate of SGD/RMB 4.94 and 4.996 respectively) to hedge the FX risk for our distributions for the rest of the financial year.

As at 30 June 2017, ECW’s aggregate leverage remains relatively low at 29.2% providing ECW with available debt headroom for growth and future acquisitions.

¹ By net lettable area

ECW has an aggregate amount of RMB998.9 million (S\$203.3 million) (2016: RMB1,004.2 million, equivalent to S\$204.3 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, of which S\$24.0 million has been drawn down.

Furthermore, 100% of the Offshore Loan Facility is on 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 2Q 2017 and first half of 2017.

Outlook

China’s economy expanded 6.9%¹ for the first 6 months of 2017, better than the 6.5%² government’s full year growth target. 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 the same period 2017.

According to China’s National Bureau of Statistics, online retail sales in China grew 33.4% in first half of 2017, more than triple the growth rate of overall retail sales in the country. During the same period, the e-commerce sector in Hangzhou surged by 44.1%³. The continued strong growth momentum in China e-commerce provides a highly favorable operating environment for ECW’s e-commerce logistics assets, namely Stage 1 Properties of Bei Gang Logistics and Fu Heng Warehouse.

Our portfolio is expected to continue to deliver stable and growing returns for our unitholders. The weighted average lease expiry of our portfolio stands at 3.5 years⁴ with no significant lease expiries in the next 2 years. Furthermore, most of our leases (including all 3 master leases) have built-in annual rental escalations.

ECW is also 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

⁴ As at 30 June 2017 and by gross rental income



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.