

NEWS RELEASE

EC World REIT reports Distribution Per Unit (“DPU”) of 1.427 cents for 4QFY20

- *4QFY20 Gross revenue and Net Property Income (“NPI”) increased 14.2% and 11.1% year-on-year respectively mainly due to organic rental escalations and appreciation of RMB against SGD.*
- *Maintain quarterly distribution with DPU of 1.427 cents per unit for 4QFY20 translating to trading yield of 7.5%¹*
- *Healthy occupancy of 99.3% with only 15.8% of gross rental income due for renewal in FY2021.*
- *Stable capital structure with aggregate leverage of 38.1%*

Singapore, 23 February 2021 – EC World Asset Management Pte. Ltd., as manager of EC World Real Estate Investment Trust (“**ECW**”) (the “**Manager**”) is pleased to conclude the financial year with a set of stable portfolio performance amidst the challenging operating environment arising from the evolving coronavirus (“**COVID-19**”) situation and uncertain macroeconomic environment.

Mr. Goh Toh Sim, Executive Director and CEO of the Manager, said, “We are heartened that our disciplined investment and proactive portfolio management strategies continue to contribute positively to ECW amidst uncertainties globally. As at 31 December 2020, ECW’s portfolio occupancy was 99.3% with a healthy weighted average lease to expiry (by gross rental income) of 3.4 years. This is a testimonial to our commitment to provide a sustainable and predictable stream of returns to unitholders. We will continue to work closely with our team in China to achieve predictable returns to our Unitholders.”

Even though the China economy grew 2.3% in 2020, challenges and instabilities continue to emerge from the evolving epidemic conditions and global macro environment. As such, the Manager elected to retain 10% of total amount available for distribution in 4QFY20. DPU of 1.427 cents for 4QFY20 will be paid out to eligible Unitholders around 31 March 2021. The Manager has decided not to receive its performance fee for the period from 1 January 2020 to 31 December 2020.

¹ Based on FY20 DPU of 5.359 Singapore cents and closing price of S\$0.715 per unit as at 31 December 2020.

Summary of Results:

	4QFY20 S\$'000	4QFY19 S\$'000	Change %
Gross Revenue	29,532	25,862	14.2
Net Property Income ("NPI")	27,203	24,475	11.1
Total amount available for distribution	12,783	12,741	0.3
Amount retained ²	1,284	643	n.m.
Distribution to Unitholders	11,499	12,098	(5.0)
DPU after retention (Cents)	1.427	1.510	(5.5)

Proactive Portfolio Management

The Manager deploys a proactive portfolio management approach towards management of its assets, including leasing and marketing. Wuhan Meiluote, which was located at the epicenter of the COVID-19 outbreak in early 2020, saw its occupancy declined to 35.0% in 3QFY20. Working alongside our property manager and leasing team in China, the team secured new tenants. As at 31 December 2020, Wuhan Meiluote's occupancy was 86.5%.

In October 2020, the Manager successfully renewed a major lease amounting to 159,752 square metres ("sqm") in relation to Hengde Logistics, with China Tobacco Zhejiang Industrial Co., Ltd ("China Tobacco"). China Tobacco has a second lease in relation to Hengde Logistics amounting to approximately 74,057 sqm which will be expiring in May 2021. The Manager has commenced negotiation of this lease renewal with China Tobacco and will keep the investing community duly informed of any material development.

As at 31 December 2020, EC World REIT has a weighted average lease to expiry of about 3.4 years (by gross rental income) and 2.9 years (by net lettable area). About 15.8% of gross rental income will be due for renewal in FY2021, of which, 3.8% of the gross rental income is derived from the lease expiring in May 2021 by China Tobacco as mentioned above.

² Retention of total amount available for distribution in view of in view of uncertainties arising from prolonged coronavirus disease ("COVID-19") pandemic globally and for general working capital purpose

On 18 January 2021, the Manager announced that it has obtained independent valuations, as of 31 December 2020, for ECW's portfolio of properties. In RMB terms, the valuation was marginally lower at RMB8.0 billion compared to valuation as at 31 December 2019 of RMB8.1 billion. Due to the appreciation of RMB against SGD, valuation of the portfolio in SGD increased by 3.6% to S\$1,624 million as at 31 December 2020 compared to S\$1,568 million as at 31 December 2019.

Stable Capital Structure

Amidst the uncertain economic environment, the Manager continues on its disciplined capital management approach. As at 31 December 2020, ECW has an aggregate leverage of 38.1% with a blended running interest rate of 4.2% for 4QFY20 and a weighted average debt maturity of 1.6 years. To mitigate currency risk, the Manager hedged 100% of the interest rate risk of ECW's offshore loans using floating to fixed interest rate swaps and cross currency swaps.

The Manager continues to maintain a stable capital structure with no refinancing requirement in the near-term. The Manager will continue to actively explore and diversify sources of funding as well as hedging instruments to optimize ECW REIT's capital structure.

Outlook

China's National Bureau of Statistics³ reported a 2.3% year-on-year increase in gross domestic product (GDP) for 2020 aided mainly by growth in industrial production and fixed asset investment. Total retail sales declined 3.9% to RMB39,198.1 billion. However, online retail sales showed an increase of 10.9% year-on-year to RMB11,760.1 billion in 2020.

To minimize the spread of COVID-19, top authorities in China had advised people to celebrate the Spring Festival where they work and live and not to travel. At the same time, the Chinese government continues with its stringent epidemic measures to prevent the resurgence of COVID-19⁴.

³ National Bureau of Statistics, China: http://www.stats.gov.cn/english/PressRelease/202010/t20201019_1794616.html

⁴ The Straits Times: <https://www.straitstimes.com/asia/east-asia/china-steps-up-covid-19-preparedness-ahead-of-annual-spring-festival-travel-rush>

Despite China's GDP growth in 2020, uncertainties and instabilities persist with the evolving epidemic situations and the global macro environment³. Impacted by the resurgence of local COVID-19 cases, China manufacturing PMI dropped to 51.3 in January 2021, its lowest level since June 2020⁵

Challenges remain for a sustainable growth trajectory within China. This includes the recovery of job market and the ripple effect on consumer spending, the success of epidemic control as well as balance between government stimulus and debt levels⁶.

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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 portfolio of eight quality properties located predominantly 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 and Wuhan, 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.

EC World REIT is listed in several indices. These include the FTSE ASEAN All-Share Index, FTSE ST All-Share Index, FTSE ST China Index and FTSE ST Singapore Shariah Index. 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 conglomerate with businesses in supply chain, intelligent manufacturing, medical care and healthcare, finance and other sectors.

For queries, please contact:

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⁵ <https://www.reuters.com/article/china-economy-pmi/chinas-jan-factory-activity-expands-at-slowest-pace-in-7-mths-caixin-pmi-idUSZUN000Z13>

⁶ <https://www.marketwatch.com/story/chinas-economy-is-not-out-of-the-woods-yet-2021-02-07>



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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.