

NEWS RELEASE

EC World REIT delivers Distribution Per Unit (“DPU”) of 1.662 cents for 3QFY2021

- Increase in Gross Revenue and NPI of 10.9% and 9.4% year-on-year mainly due to positive straight-lining and strengthening of RMB
- Retain 5% of total amount available for distribution in 3QFY2021 for withholding tax payment upon future profit repatriation
- DPU of 1.662 cents is 19.7% higher year-on-year largely due to higher NPI and lower retention of amount available for distribution

Summary of Results:

	3QFY2021 S\$'000	3QFY2020 S\$'000	Change %
Gross Revenue	31,566	28,455	10.9
Net Property Income (“NPI”)	28,595	26,131	9.4
Total amount available for distribution	14,146	12,283	15.2
Distribution Amount Available per Unit (Singapore cents)	1.749	1.525	14.7
Amount retained ¹	707	1,111	n.m.
Distribution to Unitholders	13,439	11,172	20.3
DPU (Cents)	1.662	1.388	19.7

Singapore, 9 November 2021– EC World Asset Management Pte. Ltd., as manager of EC World Real Estate Investment Trust (“**ECW**”) (the “**Manager**”) is pleased to declare a DPU of 1.662 cents for 3QFY2021, translating to an annualized yield of 7.9%². ECW will retain 5% of total amount available for distribution in 3QFY2021 for withholding tax payment upon future profit repatriation.

Mr. Goh Toh Sim, Executive Director and CEO of the Manager, said, “Gross revenue and NPI increased to S\$31.6 million and S\$28.6 million respectively attributed to

¹ Retention of 5% and 9% of total income available for distribution in 3QFY2021 and 3QFY2020 respectively

² Based on annualized YTD3QFY2021 DPU of 6.319 Singapore cents and closing price of S\$0.80 per unit as at 30 Sept 2021.

positive straight-line adjustments and the strengthening of RMB by 5.2% year-on-year. In RMB terms and after the relevant distribution adjustments, gross revenue was 0.9% higher year-on-year, mainly due to organic rental escalations and Late Fee income while NPI was 0.9% lower, largely attributed to higher operating expenses. We remain prudent in our capital management with the retention of 5% of total amount available for distribution in 3QFY2021 for withholding tax payment upon future profit repatriation.”

Asset Management

ECW has a portfolio of eight properties, of which, four properties cater to the e-commerce logistics sector. In anticipation of the annual Singles Day e-commerce shopping fiesta, Wuhan Meiluote, an e-commerce property, secured a short-term lease for a period of three months from 1 October 2021, increasing the occupancy to 84.5% from 79.4% as at 30 September 2021. As at 31 October 2021, ECW’s portfolio occupancy is 99.2%.

The Manager has indicated earlier that the repair work for the displacement and collapse of a berth at Chongxian Port Investment was expected to start in end-August 2021. As the finalization of the design plan and the obtainment of the requisite approvals from the relevant authorities took longer than expected, the commencement of the repair work was delayed. Repair work has been scheduled to commence in end-November 2021. As Chongxian Port Investment is master leased to Hangzhou Fu Gang Supply Chain Co., Ltd, the delay in the repair work is not expected to have any material financial impact on ECW.

Stable Capital and Debt Structure

ECW’s aggregate leverage remains stable at 37.9% as at 30 September 2021 with a blended running interest rate of 4.0% for 3QFY2021. Weighted average debt maturity stands at 0.88 years as at 30 September 2021. The Manager has commenced its refinancing plans and will keep the investing community updated of any material development.

Outlook

For 3Q2021, China reported a gross domestic product (GDP) growth of 4.9% year-on-year. The National Bureau of Statistics of China noted that while the economic recovery momentum was maintained in the first three quarters of 2021, uneven and unstable domestic economic recovery remains with uncertainties in the international environment³.

According to the preliminary estimates, GDP in the first three quarters increased 9.8% year-on-year to reach RMB82,313.1 billion yuan. Retail sales increased 16.4% year-on-year for the first nine months of 2021 with online retail sales increasing by 18.5%⁴. While exports in October 2021 surged 27% from a year ago, sluggish domestic demand, slow down in the real estate sector and the potential resurgence of COVID-19 may impede growth momentum^{5,6}.

On 17 May 2021, the Manager announced that ECW has been approached by Forchn International Pte. Ltd. in relation to a potential transaction involving ECW's interests in all of its properties, which may or may not lead to the divestment of these properties. At this juncture, other than what has been disclosed in the holding announcement, there has been no material developments. The Manager will make the relevant announcements on SGXNET in the event there are any material developments which warrant disclosure under the listing rules of the SGX-ST.

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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

³ South China Morning Post: <https://www.scmp.com/economy/china-economy/article/3152690/china-gdp-economic-recovery-stalls-growth-slows-49-cent-third>

⁴ National Bureau of Statistics of China: http://www.stats.gov.cn/english/PressRelease/202110/t20211018_1822968.html

⁵ CNN: China's economy is getting a boost from exports but it's not in the clear yet: <https://edition.cnn.com/2021/11/08/economy/china-trade-exports-economy-intl-hnk/index.html>

⁶ The Straits Times: China trade surplus can cushion but not stop slowdown: <https://www.straitstimes.com/business/economy/china-trade-surplus-can-cushion-but-not-stop-slowdown>



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 as well as FTSE ST China 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.

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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.