



## NEWS RELEASE

# EC World REIT successfully extended the maturity of the outstanding Onshore and Offshore facilities to 30 April 2023 with refinancing exercise on-going

**Singapore, 6 July 2022** – EC World Asset Management Pte. Ltd., as manager of EC World Real Estate Investment Trust (“**ECW**”) (the “**Manager**”), wishes to announce that it has successfully extended the maturity date of the outstanding Onshore Facilities and Offshore Facilities (together the “**Facilities**”) to 30 April 2023<sup>1</sup>, thereby obtained sufficient time to complete the on-going refinancing exercise.

Noting the recent market trends, Mr. Goh Toh Sim, Executive Director and CEO of the Manager, wishes to stress that the economic fundamentals of ECW remain strong and resilient. For the repayment of at least 25% of the Facilities by 31 December 2022 (the “**Repayment**”) <sup>1</sup>, the Manager is exploring various fund-raising options including the potential divestments of non-core assets<sup>2</sup>. In addition, the Sponsor has provided assurance through an undertaking to the Onshore Lenders and Offshore Lenders (together the “**Lenders**”) that it will ensure that the Repayment will be completed by 31 December 2022. For the discussions on refinancing of the remaining amount of outstanding facilities post-Repayment (the “**Remaining Facilities**”), the Lenders do not expect the refinancing process to last beyond 30 April 2023 and hence the current extension has been granted till 30 April 2023. The Manager is working closely with the lead Lenders on the refinancing process.

Commenting on the various views on China real estate sector outlook, Mr. Goh said, “Unlike the residential sector in China which is still experiencing headwinds, the e-commerce and logistics sectors in China are resilient. ECW’s assets are mature e-

<sup>1</sup> Refer to the Announcements titled “Extension Of Loan Facilities And Disclosure Pursuant To Rule 704(31) Of The Listing Manual” released via SGXNet on 1 June 2022 and 29 June 2022.

<sup>2</sup> Refer to the Announcement titled “Entry Into Non-Binding Memorandum Of Understanding For Sale Of Beigang Logistics Stage 1 And Chongxian Port Logistics” released via SGXNet on 13 June 2022.



commerce and logistics assets which are generating stable returns for investors in terms of regular quarterly distributions since its IPO.”

Mr. Goh added: “The sporadic COVID-19 lockdowns in China for the past two and half years did not materially impact the financial performance of ECW, and Unitholders continued to enjoy stable DPU. Even in early 2020 when the whole of China was in lockdown ECW provided only a one-off rental rebate to its tenants, equivalent to approximately half month rental income only.”

As at 30 June 2022, ECW has a portfolio occupancy of 98.6% and a weighted average lease to expiry (“WALE”) of 2.1 years (by gross rental income and excluding Fu Zhuo Industrial), and its four master lease agreements with rental escalation providing organic growth within the portfolio.

Mr. Goh reinforced that while master lease arrangement in general is exposed to certain concentration risks, the master leases of ECW provide consistent and stable returns to Unitholders. Mr. Goh said: “Master leases normally come with longer lease terms and build-in escalations. By entering into the master lease contracts, these properties of ECW are generating stable income as compared to having multiple leases with smaller tenants at prevailing market rents. This is one of the benefits for any investors looking for long-term stable returns. While the concentration risks of master leases in general have been well discussed in the public domain, the master lease arrangement remains to be an effective tool to mitigate leasing risks arising from the uncertainty of the underlying tenants.”

— End —



## 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 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, health and wellness, finance and other sectors.

### For queries, please contact:

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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.

Unitholders and potential investors are advised to exercise caution when dealing in units of EC World REIT. Unitholders and potential investors are advised to read this announcement and any further announcements to be released by EC World REIT carefully. Unitholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe 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.