



EC World
运通网城 REIT

EC WORLD REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 5 August 2015 under the laws of the Republic of Singapore)

ANNOUNCEMENT ON ASSET VALUATION

Pursuant to Rule 703 of the Listing Manual, EC World Asset Management Pte. Ltd., in its capacity as manager of EC World Real Estate Investment Trust (“**EC World REIT**” and as manager of EC World REIT, the “**Manager**”), wishes to announce that it has obtained updated independent valuations as of 30 June 2024 for Chongxian Port Investment, Chongxian Port Logistics, Beigang Logistics Stage 1, Fu Heng Warehouse, Fuzhou E-Commerce, Hengde Logistics and Wuhan Meiluote (the “**Relevant Properties**”).

The following tables set out the updated independent valuations as of 30 June 2024 for the Relevant Properties (which were conducted by Savills Real Estate Valuation (Guangzhou) Ltd (“**Savills**”). The property valuation of the portfolio of ECW REIT as at 30 June 2024 was 9.5% lower at RMB3,922 million compared to the valuation of RMB4,336 million as at 31 December 2023¹.

Property	Location	Valuation ⁽¹⁾ (RMB' million) (31 December 2023)	Valuation ⁽¹⁾ (RMB' million) (30 June 2024)	% Change
Chongxian Port Investment	Hangzhou	1,108	975	-12.0
Chongxian Port Logistics	Hangzhou	552	479	-13.2
Beigang Logistics Stage 1	Hangzhou	686	623	-9.2
Fuheng Warehouse	Hangzhou	295	291	-1.4
Fuzhou E-Commerce	Hangzhou	709	700	-1.3
Hengde Logistics	Hangzhou	846	747	-11.7
Wuhan Meiluote	Wuhan	140	107	-23.6
Total		4,336	3,922	-9.5

Property	Location	Valuation ⁽¹⁾ (SGD' million) (31 December 2023)	Valuation ⁽¹⁾ (SGD' million) (30 June 2024)	% Change
Chongxian Port Investment	Hangzhou	206	182	-11.4
Chongxian Port Logistics	Hangzhou	103	90	-12.7
Beigang Logistics Stage 1	Hangzhou	127	116	-8.6
Fuheng Warehouse	Hangzhou	55	54	-0.7
Fuzhou E-Commerce	Hangzhou	132	131	-0.6
Hengde Logistics	Hangzhou	157	140	-11.1
Wuhan Meiluote	Wuhan	26	20	-23.1
Total		806	733	-9.0

Note:

(1) The FY2024 mid-year valuation figures were converted from RMB to SGD using the closing exchange rate of 0.1869 SGD/RMB as at 30 June 2024 whilst the FY2023 valuation figures were converted from RMB to SGD using the closing exchange rate of 0.1858 SGD/RMB as at 31 December 2023. The figures have been rounded to the nearest million.

¹ The valuations conducted were based on the underlying leases, and therefore the ongoing negotiation with the Sponsor over a master offset agreement involving termination of various master leases may have impact on these valuations.



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The decline in valuations was largely due to the following factors:

- (i) intensified rental competition in 2024 resulting from oversupply in the logistics markets in Hangzhou and Wuhan which led to extremely competitive market conditions, increased vacancy rates and lower rental transactions;
- (ii) the Manager implemented a competitive leasing strategy focused on increasing occupancy rate and maintaining cash flow, which involved securing new long leases with quality tenants at slightly lower-than-market rents to ensure long-term asset benefits;
- (iii) the deteriorating logistics market trend in Wuhan is unlikely to see improvement within the short term. The active rental strategy of the Manager has lesser impact on the current situation as the oversupply in the region has led warehouse operators to engage in low price competition, causing a gradual decline in the average market rent within the region. High vacancy rate remains; and
- (iv) Savills adopted a longer refurbishment period in their valuation of Beigang Logistics Stage 1, taking into consideration the asset enhancement project initiated by Forchn Holdings Group Co., Ltd., being the sponsor of EC World REIT (the “**Sponsor**”), and the Sponsor’s financial situation. This factor has impacted the asset valuation of Beigang Logistics Stage 1.

The valuation reports for the Relevant Properties issued by Savills are available for inspection at the Manager’s registered office at 6 Shenton Way, #41-03, OUE Downtown, Singapore 068809, during normal business hours for a period of three months from the date of this announcement. Prior appointment with the Manager would be appreciated.

By Order of the Board

Goh Toh Sim
Executive Director and Chief Executive Officer

EC World Asset Management Pte. Ltd.
(Company Registration No. 201523015N)
As manager of EC World Real Estate Investment Trust

7 August 2024

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 Singapore Exchange Securities Trading Limited (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.