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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

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**INTRODUCTION**

ECW is a Singapore-domiciled real estate investment trust which was listed on Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 28 July 2016 (“Listing Date”). ECW was constituted by the trust deed dated 5 August 2015 (as amended and restated). EC World Asset Management Pte. Ltd. is the manager of ECW (the “Manager”) and DBS Trustee Limited is the trustee of ECW (the “Trustee”).

ECW was established with the investment strategy of investing 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 in the People’s Republic of China (“PRC”).

The Manager’s key financial objectives are to provide unitholders of ECW (“Unitholders”) with an attractive rate of return on their investment through regular and stable distributions to Unitholders and to achieve long-term sustainable growth in Distribution per Unit (“DPU”) and Net Asset Value (“NAV”) per Unit, while maintaining an appropriate capital structure for ECW.

ECW’s portfolio comprises seven properties located (collectively known as the “Properties”) located in Hangzhou and Wuhan, the PRC, with an aggregate net lettable area (“Net Lettable Area” or “NLA”) of 746,177 square meters. The Properties are:

1. Fu Heng Warehouse (E-commerce logistics);
2. Stage 1 Properties of Bei Gang Logistics (E-commerce logistics);
3. Wuhan Meiluote (E-commerce logistics)
4. Hengde Logistics (Specialised logistics);
5. Chongxian Port Investment (Port logistics);
6. Chongxian Port Logistics (Port logistics); and
7. Fu Zhuo Industrial (Port logistics);

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**Summary Results of ECW**

		Group					
		1.4.19 to 30.6.19	1.4.18 to 30.6.18	Change	1.1.19 to 30.6.19	1.1.18 to 30.6.18	Change
Notes		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	(1)	23,734	24,926	(4.8)	47,591	48,865	(2.6)
Net property income	(1)	21,157	22,807	(7.2)	42,342	44,297	(4.4)
Distribution to Unitholders		12,314	12,384	(0.6)	24,237	23,946	1.2
Distribution per unit ("DPU") (cents)	(2)	1.547	1.570	(1.5)	3.048	3.039	0.3
Annualised distribution yield (%)							
- Based on share price of S\$0.78 per unit as at 30 June 2019		7.96	8.07	(1.5)	7.88	7.86	0.3

**Notes:**

- (1) The gross revenue and net property income after adjusting for effective rent, security deposit accretion and other relevant distribution adjustments in section 1(a)(8) was S\$23.8 million and S\$21.6 million respectively in 2Q19 (2Q18: S\$24.0 million and S\$21.9 million respectively).
- (2) ECW's distribution policy is to distribute at least 90% of distributable income for each financial year on a semi-annual basis. In the interest of the Unitholders, ECW has been making distribution on a quarterly basis since its first distribution on 28 November 2016. For 2Q19, the Manager has resolved to distribute 100% of the capital distribution to Unitholders. Please refer to section 1(a) for the distribution statement. The Manager will determine at a later stage whether it will change subsequent distributions periods from a semi-annual basis to quarterly basis. The next distribution for the period from 1 April 2019 to 30 June 2019 will be made on or around 26 September 2019.

**Distribution and Book Closure Date**

Distribution	1 April 2019 to 30 June 2019
Distribution type	Capital distribution
Distribution rate	1.547 cents
Book closure date	3 September 2019
Payment date (est)	26 September 2019

For details, please refer to Item 6 for the DPU computation.

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**1(a) Statement of Total Return and Distribution Statement**

<u>Statement of Total Return</u>		Group					
		1.4.19 to 30.6.19	1.4.18 to 30.6.18	Change	1.1.19 to 30.6.19	1.1.18 to 30.6.18	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
	Notes						
Gross revenue	(1)	23,734	24,926	(4.8)	47,591	48,865	(2.6)
Property expenses	(2)	(2,577)	(2,119)	21.6	(5,249)	(4,568)	14.9
<b>Net property income</b>		<b>21,157</b>	<b>22,807</b>	<b>(7.2)</b>	<b>42,342</b>	<b>44,297</b>	<b>(4.4)</b>
Finance income		436	335	30.1	865	766	12.9
Finance costs		(6,986)	(6,840)	2.1	(13,953)	(13,632)	2.4
Manager's management fees	(3)						
- Base fees		(1,231)	(1,247)	(1.3)	(2,423)	(2,406)	0.7
- Performance fees		-	(111)	N/M	-	(40)	N/M
Trustee's fees		(72)	(73)	(1.4)	(144)	(145)	(0.7)
Foreign exchange gain/(loss)	(4)	1,343	778	72.6	402	(417)	N/M
Other trust expenses	(5)	(358)	(515)	(30.5)	(726)	(861)	(15.7)
<b>Net income</b>		<b>14,289</b>	<b>15,134</b>	<b>(5.6)</b>	<b>26,363</b>	<b>27,562</b>	<b>(4.4)</b>
Net change in fair value of investment properties	(6)	-	6,447	N/M	-	6,447	N/M
Net change in fair value of financial derivatives	(7)	(125)	792	N/M	122	1,304	(90.6)
<b>Total return for the financial period before income tax</b>		<b>14,164</b>	<b>22,373</b>	<b>(36.7)</b>	<b>26,485</b>	<b>35,313</b>	<b>(25.0)</b>
Income tax expenses		(3,949)	(7,600)	(48.0)	(8,264)	(11,844)	(30.2)
<b>Total return for the financial period after income tax before distribution</b>		<b>10,215</b>	<b>14,773</b>	<b>(30.9)</b>	<b>18,221</b>	<b>23,469</b>	<b>(22.4)</b>
<u>Distribution statement</u>							
Total return for the financial period after income tax before distribution	(8)	10,215	14,773	(30.9)	18,221	23,469	(22.4)
Distribution adjustments		2,099	(2,296)	N/M	6,016	570	>100
<b>Total amount available for distribution</b>		<b>12,314</b>	<b>12,477</b>	<b>(1.3)</b>	<b>24,237</b>	<b>24,039</b>	<b>0.8</b>
<b>Distribution to Unitholders</b>		<b>12,314</b>	<b>12,384</b>	<b>(0.6)</b>	<b>24,237</b>	<b>23,946</b>	<b>1.2</b>

**Notes:**

- (1) Gross revenue comprises gross rental income and other income from the investment properties.
- (2) Property expenses comprise property management fee, reimbursable expenses payable to Property Manager and other property related expenses.
- (3) Manager's management fees consist of:
  - (a) A base fee of 10% per annum of the Distributable Income (calculated before accounting for the base fee and the performance fee in each financial year); and
  - (b) A performance fee of 25% per annum of the difference in Distribution per Unit (“DPU”) in a financial year with the DPU in the preceding full financial year (calculated before accounting for performance fee but after accounting for base fee in each financial year) multiplied by weighted average number of Units in issue for such financial year.
- (4) Mainly due to revaluation of loans in foreign currency.
- (5) Other trust expenses include professional fees, listing fees and other non-property related expenses.
- (6) Net change in fair value of investment properties due to the acquisition of Wuhan Meiluote in 2Q18.
- (7) The net change in fair value of financial derivatives which was put in place by the Manager to hedge interest rate risks and RMB income source of ECW.

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(8) Net effect of non (taxable income) / tax deductible expenses and other adjustments comprises:

	Group					
	1.4.19 to 30.6.19	1.4.18 to 30.6.18	Change	1.1.19 to 30.6.19	1.1.18 to 30.6.18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Straight-lining of step-up rental	691	(216)	N/M	1,305	(135)	N/M
Security deposit accretion	34	(2)	N/M	67	(4)	N/M
Manager's base fees paid/payable in units	1,231	1,247	(1.3)	2,423	2,406	0.7
Manager's performance fees payable in units	-	111	N/M	-	40	N/M
Trustee's fees	72	73	(1.4)	144	145	(0.7)
Fair value gain on investment properties	-	(6,447)	N/M	-	(6,447)	N/M
Deferred tax (credit)/charge, net	(173)	3,464	N/M	(326)	3,407	N/M
Fair value loss/(gain) on financial derivatives	125	(792)	N/M	(122)	(1,304)	(90.6)
Amortisation of upfront debt issuance costs	1,022	1,042	(1.9)	2,034	2,065	(1.5)
Foreign exchange (gain)/loss, net (unrealised)	(1,341)	(778)	72.4	(397)	417	N/M
Provision of real estate tax	442	-	N/M	886	-	N/M
Others	(4)	2	N/M	2	(20)	N/M
Total distribution adjustments	2,099	(2,296)	N/M	6,016	570	>100

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**1(b)(i) Balance Sheet**

		<b>Group</b>		<b>ECW</b>	
		<b>Actual</b>		<b>Actual</b>	
		<b>30.6.19</b>	<b>31.12.18</b>	<b>30.6.19</b>	<b>31.12.18</b>
		<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>					
<b>Current assets</b>					
	(1)	141,997	142,127	5,304	10,011
	(2)	532	329	532	329
		47,299	38,334	1,448	866
		-	-	241,557	241,557
		<b>189,828</b>	<b>180,790</b>	<b>248,841</b>	<b>252,763</b>
<b>Non-current assets</b>					
	(3)	1,324,347	1,335,034	-	-
		-	-	- *	- *
		<b>1,324,347</b>	<b>1,335,034</b>	<b>- *</b>	<b>- *</b>
<b>Total assets</b>		<b>1,514,175</b>	<b>1,515,824</b>	<b>248,841</b>	<b>252,763</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
		23,636	23,354	4,523	3,803
	(4)	489,902	474,705	297,540	280,746
	(2)	191	95	191	95
		7,165	9,153	2	2
		<b>520,894</b>	<b>507,307</b>	<b>302,256</b>	<b>284,646</b>
<b>Non-current liabilities</b>					
	(5)	260,137	262,442	-	-
		56,502	56,917	-	-
		586	606	-	-
		<b>317,225</b>	<b>319,965</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>838,119</b>	<b>827,272</b>	<b>302,256</b>	<b>284,646</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<b>676,056</b>	<b>688,552</b>	<b>(53,415)</b>	<b>(31,883)</b>
Represented by:					
<b>UNITHOLDERS' FUNDS</b>		<b>676,056</b>	<b>688,552</b>	<b>(53,415)</b>	<b>(31,883)</b>

\* Less than S\$1,000.

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**Notes**

- (1) Includes RMB151.7 million (S\$30.0 million) cash security deposits received from the master leases and cash deposits of RMB544.8 million (S\$107.3 million) placed as collateral for standby letter of credit (“SBLC”) issuance. Deposits were placed with Malayan Banking Berhad Shanghai Branch, United Overseas Bank (China) Limited and Bank of East Asia (China) Limited which have good credit rating.
- (2) This relates to the fair values of the derivative financial instruments entered into to hedge the various risks of ECW. As at 30 June 2019, the derivative instruments entered into were:
- Plain vanilla interest rate swaps (to hedge the interest rate of the Offshore Facility); and
  - Currency options contracts (to hedge the expected income repatriation from China to Singapore).
- (3) Represents the carrying values of the investment properties, including asset enhancement initiatives, effective rental adjustments and translation differences. The investment properties are pledged as security for the borrowings of ECW and its subsidiaries (collectively, the “Group”).
- (4) Credit facilities put in place at IPO due in July 2019. On 28 June 2019, ECW entered into facility agreements and has successfully drawn down loan facilities to refinance the IPO credit facilities.
- Please refer to item 1(b)(ii) Aggregate Amount of Borrowings and Debt Securities for details.
- (5) Relates mainly to the deferred tax liability arising from the fair valuation of investment properties.
- (6) Please refer to item 1(d)(i) Statement of Changes in Unitholders’ Funds for details.

**1(b)(ii) Aggregate Amount of Borrowings and Debt Securities**

	Group		ECW	
	30.6.19	31.12.18	30.6.19	31.12.18
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Secured borrowings</b>				
Amount repayable in one year or less	490,189	476,918	297,690	281,900
Less: Unamortised debt issuance costs	(287)	(2,213)	(150)	(1,154)
<b>Total borrowings</b>	<b>489,902</b>	<b>474,705</b>	<b>297,540</b>	<b>280,746</b>

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**Notes:**

***Details of Collaterals and Borrowings***

As at 30 June 2019, ECW has an aggregate borrowing of RMB977.7 million (S\$192.5 million) (31 December 2018: RMB983.0 million, equivalent to S\$198.2 million) from the Onshore secured term loans facility (the “**Onshore Facilities**”), S\$200.0 million syndicated secured term loan facility (the “**Offshore Facility**”) and S\$97.7 million revolving credit facility.

The key terms of the Onshore Facilities and the Offshore Facility are as follows:

(a) Onshore Facilities

ECW has put in place a 3-year RMB1,004.2 million (S\$198.3 million) secured term loan facility.

The facilities are secured by way of:

- i) A first ranking pledge over the entire issued equity interest of the Group’s subsidiary, Hangzhou Chongxian Port Logistics Co., Ltd.;
- ii) an unconditional and irrevocable guarantee from the Onshore Guarantors on a joint and several basis, where the “Onshore Guarantors” refer to the Group’s subsidiaries Hangzhou Fu Zhuo Industrial Co., Ltd., Hangzhou Fu Heng Warehouse Co., Ltd., and Hangzhou Chongxian Port Logistics Co., Ltd. and an unconditional and irrevocable guarantee from DBS Trustee Limited in its capacity as the Trustee;
- iii) A first ranking mortgage over the Properties;
- iv) A pledge of all sales proceeds, rental income, bond pledge and all other revenue derived from the Properties;
- v) An assignment of all material agreements in relation to the Properties;
- vi) An assignment of all insurance policies in relation to the Properties with the onshore security agent (being DBS Bank (China) Limited) named as the first beneficiary;
- vii) An assignment of all present and future rights and interests of the Onshore Borrowers in relation to inter-company debts and shareholder loans made by the Offshore Guarantor (ECW) and/or the Singapore Holding Companies (which consists of Fullwealth Investment Pte. Ltd., Richwin Investment Pte. Ltd., Prorich Investment Pte. Ltd., Richport Investment Pte. Ltd. and Magnasset Investment Pte. Ltd.);
- viii) A subordination deed in relation to the inter-company debts and shareholder loans made to the Onshore Borrowers and/or the Onshore Guarantors; and
- ix) Any other security as may be reasonably required by the lenders.

The annualised all-in interest rate for the quarter and 6 months ended 30 June 2019 was 6.4%. The annualised all-in running interest rate for the quarter and 6 months ended 30 June 2019 was 5.4%. As at 30 June 2019, the above facilities were fully drawn down.

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(b) Offshore Facility

ECW has a 3-year S\$200 million syndicated secured term loan facility secured by way of:

- i) An unconditional and irrevocable guarantee from the Singapore Holding Companies (which consists of Fullwealth Investment Pte. Ltd., Richwin Investment Pte. Ltd., Prorich Investment Pte. Ltd., Richport Investment Pte. Ltd. and Magnasset Investment Pte. Ltd.) on a joint and several basis;
- ii) A first ranking pledge over the entire issued share capital of each of the Singapore Holding Companies;
- iii) A first ranking pledge over the entire issued equity interest of each of the PRC Property Companies (which consists of Hangzhou Chongxian Port Investment Co., Ltd., Hangzhou Bei Gang Logistics Co., Ltd., Hangzhou Fu Zhuo Industrial Co., Ltd., Hangzhou Fu Heng Warehouse Co., Ltd. and Zhejiang Hengde Sangpu Logistics Co., Ltd.);
- iv) A first priority account charge over all bank accounts of ECW (as the “Offshore Borrower”) relating to and/or in connection with the Properties and its existing revenue account, operating account and fixed deposit account, and all bank accounts of the Singapore Holding Companies;
- v) A first fixed and floating charge and debenture over all the assets of the Offshore Borrower relating to and/or in connection with the Properties, and over all of the assets of the Singapore Holding Companies (other than the dividends attributable solely to revenue from Stage 2 Properties), including the assignment of all the rights and benefits under all material contracts, inter-company loans, property management agreement and hedging agreements; and
- vi) A subordination in relation to inter-company debts and shareholder loans made by ECW or any of its subsidiaries other than shareholder’s loan obtained solely in relation to future property acquisition.

The annualised all-in interest rate for the quarter and 6 months ended 30 June 2019 was 5.1%. The annualised all-in running interest rate for the quarter and 6 months ended 30 June 2019 was 4.1%. As at 30 June 2019, the above facilities were fully drawn down and 100% of the interest rate risk of the Offshore Facility was hedged using floating to fixed interest rate swaps.

The Onshore Facilities and the Offshore Facilities have cross-default provisions, where default of the Offshore Facility shall automatically trigger default of the Onshore Facilities and vice versa.

(c) Revolving Credit Facility

ECW has put in place an uncommitted revolving credit facility of S\$120.0 million with Malayan Banking Berhad (“MBB”), United Overseas Bank Ltd (“UOB”) and Bank of East Asia Limited, Singapore Branch (“BEA”). As at 30 June 2019, ECW had drawn down a total of S\$97.7 million short-term loan backed by SBLC issued by Malayan Banking Berhad Shanghai Branch, United Overseas Bank (China) Ltd and Bank of East Asia (China) Limited. The SBLC is collateralised against a total cash deposit of RMB544.8 million (S\$107.3 million). The interest rates ranged from 2.3% to 2.6% for the quarter and from 1.9% to 2.6% for the 6 months ended 30 June 2019 respectively.

The annualised all-in interest rate of the aggregate facilities for the quarter and 6 months ended 30 June 2019 was 5.1% and 5.3% respectively. The annualised all-in running interest rate for the quarter and 6 months ended 30 June 2019 was 4.3% and 4.5% respectively. The Aggregate Leverage for the Group as at the end of the period was 32.4%.



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**1(c) Cash Flows Statement**

		Group			
		1.4.19 to 30.6.19	1.4.18 to 30.6.18	1.1.19 to 30.6.19	1.1.18 to 30.6.18
		S\$'000	S\$'000	S\$'000	S\$'000
	Notes				
<b>Cash Flows from Operating Activities</b>					
Total return for the financial period		10,215	14,773	18,221	23,469
Adjustments for:					
- Income tax		3,949	7,600	8,264	11,844
- Interest income		(436)	(335)	(865)	(766)
- Finance cost		6,986	6,840	13,953	13,632
- Effect of straight lining of step-up rental		691	(216)	1,305	(135)
- Effect of security deposits accretion		(675)	(707)	(1,347)	(1,401)
- Fair value loss/(gain) on derivative instruments		125	(792)	(122)	(1,304)
- Fair value gain on investment properties		-	(6,447)	-	(6,447)
- Manager's base fees payable in units		1,231	1,247	2,423	2,406
- Manager's performance fees payable in units		-	111	-	40
- Exchange (gain)/loss		(1,341)	(778)	(397)	417
<b>Operating cash flow before working capital change</b>		<b>20,745</b>	<b>21,296</b>	<b>41,435</b>	<b>41,755</b>
<b>Changes in working capital:</b>					
Trade and other receivables		(7,566)	(117)	(8,964)	(4,610)
Trade and other payables		2,380	(551)	(2,000)	(548)
<b>Cash generated from operating activities</b>		<b>15,559</b>	<b>20,628</b>	<b>30,471</b>	<b>36,597</b>
Interest received		436	257	865	612
Income tax paid (net)		(8,755)	(9,334)	(10,531)	(11,049)
<b>Net cash generated from operating activities</b>		<b>7,240</b>	<b>11,551</b>	<b>20,805</b>	<b>26,160</b>
<b>Cash Flows from Investing Activities</b>					
Additions to investment properties		(634)	(2)	(706)	(558)
Acquisition of subsidiary		-	(28,915)	-	(28,915)
<b>Net cash used in investing activities</b>		<b>(634)</b>	<b>(28,917)</b>	<b>(706)</b>	<b>(29,473)</b>
<b>Cash Flows from Financing Activities</b>					
Repayment of borrowings		-	-	(50,559)	(1,090)
Distribution to Unitholders		(11,921)	(11,560)	(24,356)	(23,361)
Proceeds from borrowings	(1)	13,500	11,500	65,290	11,500
Interest paid		(5,143)	(4,876)	(10,315)	(9,770)
SBLC commission paid		(54)	(47)	(181)	(238)
Settlement of derivative financial instruments (net)		15	(140)	15	(410)
Placements of deposits for SBLC facilities	(1)	(15,119)	(12,716)	(17,953)	(12,716)
Increase in interest reserves		(4)	(5)	(9)	(10)
<b>Net cash used in financing activities</b>		<b>(18,726)</b>	<b>(17,844)</b>	<b>(38,068)</b>	<b>(36,095)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(12,120)</b>	<b>(35,210)</b>	<b>(17,969)</b>	<b>(39,408)</b>
<b>Cash and cash equivalents at beginning of financial period</b>		<b>39,893</b>	<b>85,729</b>	<b>43,698</b>	<b>87,150</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>(2,127)</b>	<b>(1,892)</b>	<b>(83)</b>	<b>885</b>
<b>Cash and cash equivalents at the end of financial period</b>	(2)	<b>25,646</b>	<b>48,627</b>	<b>25,646</b>	<b>48,627</b>

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**Notes**

- (1) Refer to Item 1(b)(ii) Aggregate Amount of Borrowings and Debt Securities for details.
- (2) For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	<b>Group</b>	
	<b>30.6.2019</b>	<b>30.6.2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and cash equivalents (as per Balance Sheet)	141,997	113,362
Less:		
- Interest reserves <sup>#</sup>	(9,076)	(9,305)
- Cash collateral for SBLC facilities	(107,275)	(55,430)
Cash and cash equivalents per consolidated statement of cash flows	25,646	48,627

<sup>#</sup> Bank deposits maintained as interest reserves, as required by the offshore term loan and onshore syndicated loan facility agreements.

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**1(d)(i) Statements of Changes in Unitholders' Funds**

	Group		Group	
	1.4.19 to 30.6.19 S\$'000	1.4.18 to 30.6.18 S\$'000	1.1.19 to 30.6.19 S\$'000	1.1.18 to 30.6.18 S\$'000
<b>OPERATIONS</b>				
Balance as at beginning of the period	809,833	767,467	801,827	758,771
Total return after tax	10,215	14,773	18,221	23,469
Transfer to general reserves	-	-	-	-
<b>Balance as at end of the period</b>	<b>820,048</b>	<b>782,240</b>	<b>820,048</b>	<b>782,240</b>
<b>GENERAL RESERVES</b>				
Balance as at beginning of the period	10,841	6,962	10,841	6,962
<b>Balance as at end of the period</b>	<b>10,841</b>	<b>6,962</b>	<b>10,841</b>	<b>6,962</b>
<b>UNITHOLDERS' CONTRIBUTION</b>				
Balance as at beginning of the period	(31,036)	10,846	(20,137)	22,647
Movement during the period				
- Manager's base fees paid in units	-	2,339	1,243	2,339
- Manager's performance fees paid in units	-	523	293	523
- Distributions to unitholders	(11,921)	(11,560)	(24,356)	(23,361)
<b>Balance as at end of the period</b>	<b>(42,957)</b>	<b>2,148</b>	<b>(42,957)</b>	<b>2,148</b>
<b>FOREIGN CURRENCY TRANSLATION RESERVE</b>				
Balance as at beginning of the period	(87,603)	(54,068)	(103,979)	(70,762)
Translation differences relating to financial statements of foreign subsidiaries	(24,273)	(11,198)	(7,897)	5,496
<b>Balance as at end of the period</b>	<b>(111,876)</b>	<b>(65,266)</b>	<b>(111,876)</b>	<b>(65,266)</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>676,056</b>	<b>726,084</b>	<b>676,056</b>	<b>726,084</b>

	ECW		ECW	
	1.4.19 to 30.6.19 S\$'000	1.4.18 to 30.6.18 S\$'000	1.1.19 to 30.6.19 S\$'000	1.1.18 to 30.6.18 S\$'000
<b>OPERATIONS</b>				
Balance as at beginning of the period	(5,688)	(2,747)	(11,746)	(14,101)
Total return after tax	(4,770)	(3,706)	1,288	7,648
<b>Balance as at end of the period</b>	<b>(10,458)</b>	<b>(6,453)</b>	<b>(10,458)</b>	<b>(6,453)</b>
<b>UNITHOLDERS' CONTRIBUTION</b>				
Balance as at beginning of the period	(31,036)	10,846	(20,137)	22,647
Movement during the period				
- Manager's base fees paid in units	-	2,339	1,243	2,339
- Manager's performance fees paid in units	-	523	293	523
- Distributions to unitholders	(11,921)	(11,560)	(24,356)	(23,361)
<b>Balance as at end of the period</b>	<b>(42,957)</b>	<b>2,148</b>	<b>(42,957)</b>	<b>2,148</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>(53,415)</b>	<b>(4,305)</b>	<b>(53,415)</b>	<b>(4,305)</b>

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

**1(d)(ii) Details of Any Change in Units**

		Group and ECW			
		1.4.19 to 30.6.19	1.4.18 to 30.6.18	1.1.19 to 30.6.19	1.1.18 to 30.6.18
		Units	Units	Units	Units
Balance as at beginning of period		794,228,726	784,657,527	792,014,317	784,657,527
- Manager's base fees paid in units		-	3,118,626	1,791,595	3,118,626
- Manager's performance fees paid in units		-	689,411	422,814	689,411
<b>Issued units as at the end of period</b>		<b>794,228,726</b>	<b>788,465,564</b>	<b>794,228,726</b>	<b>788,465,564</b>
Units to be issued	(1)				
- Manager's base fees payable in units for 1.4.19 to 30.6.19		1,579,440	-	1,579,440	-
- Manager's base fees payable in units for 1.1.19 to 30.3.19		1,566,602	-	1,566,602	-
- Manager's base fees payable in units for 1.4.18 to 30.6.18		-	1,732,795	-	1,732,795
<b>Total issued and to be issued units</b>		<b>797,374,768</b>	<b>790,198,359</b>	<b>797,374,768</b>	<b>790,198,359</b>

**Note**

- (1) These are units to be issued to the Manager as payment for its base fees and performance fees at an issue price which is computed based on the 10 business day volume-weighted average price of ECW traded on the SGX-ST.

The Manager has agreed to receive 100% of its base fee and performance fee in the form of units for the period from the Listing Date to 31 December 2017 as stated in the Prospectus (pages 32 and 119). The Manager may elect to receive base fee and performance fee in cash or Units or a combination of cash and Units (as it may in its sole discretion determine) from 2018. The Manager has agreed to receive 100% of its base fee in the form of units for the period from 1 April 2019 to 30 June 2019.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard, (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures in this announcement have neither been audited nor reviewed by the auditors.

- 3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied**

Except as disclosed in item 5 below, ECW has applied the same accounting policies and methods of computation in the preparation of financial statements for the current reporting period compared with the audited financial statement for the financial year ended 31 December 2018.

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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
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**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change**

ECW has adopted new Financial Reporting Standards in Singapore (“FRSs”) and interpretations effective for the financial period beginning 1 January 2019 as follows:

(a) FRS 116 *Leases*

FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The Group has applied the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

There was no significant impact to the financial statements of the Group. Accordingly, comparative financial information presented in this set of announcement has not been restated.

(b) INT FRS 23 *Uncertainty Over Income Tax Treatments*

INT FRS 23 introduces new requirements for recognition and measurement of deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

INT FRS 23 discussed about how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty; that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored; that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment; that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

There was no significant impact to the financial statements of the Group.

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**6. Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")**

Note	Group			
	1.4.19 to 30.6.19	1.4.18 to 30.6.18	1.1.19 to 30.6.19	1.1.18 to 30.6.18
Weighted average number of units as at end of period	794,228,726	786,597,359	793,164,342	785,632,802
Earnings per unit ("EPU") - Basic and Diluted (cents)	(1) 1.29	1.88	2.30	2.99
Number of units entitled to distribution	795,795,328	788,465,564	795,795,328	788,465,564
Distribution per unit ("DPU") (cents)	(2) 1.547	1.570	3.048	3.039
Distribution per unit ("DPU") (cents) - Annualised	6.205	6.297	6.147	6.128

**Notes**

- (1) EPU calculation uses the total return for the period after tax, and the weighted average number of units issued. The diluted EPU is the same as basic EPU as no dilutive instruments were in issue during the period.
- (2) DPU was computed and rounded based on the number of units entitled to distribution at the end of the period. Distribution of 1.547 cents per unit for period 1 April 2019 to 30 June 2019 will be paid on or around 26 September 2019.

**7. Net Asset Value ("NAV") / Net Tangible Asset ("NTA") Per Unit**

	As at 30.6.19	As at 31.12.18
NAV / NTA of Group - attributable to Unitholders (S\$'000)	676,056	688,552
NAV / NTA of REIT (S\$'000)	(53,415)	(31,883)
Number of units outstanding as at end of each period ('000)	794,229	792,014
<b>Group's net asset value per unit (S\$)</b>	<b>0.85</b>	<b>0.87</b>
<b>REIT's net asset value per unit (S\$)</b>	<b>(0.07)</b>	<b>(0.04)</b>

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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
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**8. Review of the Performance**

**(i) Review of performance for the quarter ended 30 June 2019**

Gross revenue of S\$23.7 million was S\$1.2 million or 4.8% lower compared to 2Q18. Net property income (“NPI”) of S\$21.2 million was S\$1.7 million or 7.2% lower compared to 2Q18. In RMB terms, the gross revenue and NPI were 0.3% and 2.9% lower respectively compared to the same quarter last year. After straight-line, security deposit accretion and other relevant distribution adjustments, the gross revenue and NPI in RMB terms were 3.6% and 3.4% higher respectively compared to 2Q18 due to rental escalation and contribution from Wuhan Meiluote.

Finance costs of S\$7.0 million were S\$0.1 million or 2.1% higher compared to 2Q18. This was mainly due to higher SBLC loan quantum in this quarter compared to same quarter last year.

Distribution to Unitholders was S\$12.3 million, representing S\$0.6 million or 0.6% decrease compared to same quarter last year.

**(ii) Review of performance for the 6 months ended 30 June 2019**

Gross revenue of S\$47.6 million was S\$1.3 million or 2.6% lower compared to 1H18. Net Property income (“NPI”) of S\$42.3 million was S\$2.0 million or 4.4% lower compared to 1H18. In RMB terms, the gross revenue and NPI were 1.3% higher and 0.5% lower respectively compared to 1H18. After straight-line, security deposit accretion and other relevant distribution adjustments, the gross revenue and NPI in RMB terms were 4.5% and 5.1% higher respectively compared to 1H18 due to rental escalation and contribution from Wuhan Meiluote.

Finance costs of S\$14.0 million were S\$0.3 million or 2.4% higher compared to 1H18. This was mainly due to higher SBLC loan quantum.

Distribution to Unitholders was S\$24.2 million, representing S\$0.3 million or 1.2% increase compared to 1H18.

**9. Variance between the forecast**

ECW did not disclose any financial forecast to the market.

**10. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting and the next 12 months**

China’s Gross Domestic Product (“GDP”) expanded 6.2% year-on-year in 2Q2019. For 1H2019, Chinese GDP grew by 6.3% year-on-year, in line with the government’s forecast. Total retail sales remained strong with 8.4% increased year-on-year. Online retail sales continued on its growth trajectory with 17.8% year-on-year increase in 1H2019, an increase of 2.5% compared to 1Q2019.<sup>1</sup>

From the first five months of 2019, Hangzhou retail sales increase 8.9% while its online retail sales increased 33.1%<sup>2</sup>. Wuhan’s retail sales registered a growth of 8.6% year-on-year with online sales continued on its growth with 14.4% y-o-y increase<sup>3</sup>.

Since the start of 2019, the Chinese government announced several initiatives to ensure the sustainability of long-term growth in China. The government has indicated that it will increase the pace of monetary easing, with further Reserve Requirement Ratio cuts, tax reductions and fixed-asset investment expected in the coming months<sup>4</sup>. In June 2019, China’s National Development and Reform Commission and the Ministry of Commerce jointly released a revised catalogue which list out sectors which are strongly encouraged by the government. Over 80% of the newly-added or revised items in nationwide catalogue promotes the high specifications manufacturing industries such as intelligent manufacturing and green manufacturing.<sup>5</sup> This move expects to spur internal growth and consumption within China.

EC World REIT’s portfolio of properties remains resilient with strong average committed occupancy of 99.07% as at 30 June 2019. At the Extraordinary General Meeting (“EGM”) held on 22 April 2019, Unitholders overwhelmingly voted in favour of the proposed entry into the New Master Lease Agreements for Stage 1 Properties of Bei Gang Logistics, Chongxian Port Investment and Fu Heng Warehouse. On 19 June 2019, the Manager obtained 100% unitholders’ approval at the EGM to acquire Fuzhou E-Commerce, a 214,284 sqm integrated e-commerce logistics asset for RMB1,112.5 million. The acquisition is expected to have a positive contribution on the earnings of EC World REIT when completed in 3QFY19. Including the leases at Fuzhou E-Commerce, the portfolio Weighted Average Lease to Expiry is 4.6 years (by Gross Revenue) as at 30 June 2019 which provides Unitholders predictability in earnings.

On 28 June 2019, the Manager announced that it has entered into facility agreements for the purpose of refinancing all of EC World REIT’s existing onshore and offshore term loans due in July 2019, partially fund the proposed acquisitions of Fuzhou E-Commerce and to finance EC World REIT’s working capital and other general corporate purposes. The Manager has concluded the refinancing exercise and refinanced its existing term loans on 29 July 2019. The Manager will continue to deploy a prudent capital management to ensure stable distributions to EC World REIT’s Unitholders.

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<sup>1</sup> China’s National Bureau of Statistics: <http://www.stats.gov.cn>

<sup>2</sup> Hangzhou Bureau of Statistics: <http://tjj.hangzhou.gov.cn>

<sup>3</sup> Wuhan Bureau of Statistics: <http://tjj.wuhan.gov.cn/index.aspx>

<sup>4</sup> CBRE: Greater China MarketFlash (<https://cbreemail.com/rv/ff01048228e9df1efc34877fa3429b0a3fe5c0f2>)

<sup>5</sup> XINHUANET: China releases new industry catalogue encouraging foreign investment ([http://www.xinhuanet.com/english/2019-06/30/c\\_138186260.htm](http://www.xinhuanet.com/english/2019-06/30/c_138186260.htm))



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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
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**11. Distribution**

**(a) Current financial period**

Any distributions declared for the current financial period? Yes

Name of distribution: Distribution for the period from 1 April 2019 to 30 June 2019

Distribution types: Capital distribution

Distribution rate: 1.547 cents per unit

Par value of units: Not meaningful

Tax rate: The capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For Unitholders who hold the Units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

Remarks: The distribution to Unitholders is based on 100% of the distributable income for the period from 1 April 2019 to 30 June 2019.

**(b) Corresponding period of the preceding financial period**

Any distributions declared for the corresponding period of the immediate preceding financial period?

Yes. A capital distribution of 1.570 cents per unit was declared for the period from 1 April 2018 to 30 June 2018.

**(c) Date Payable (est.)** 26 September 2019

**(d) Books Closure** 3 September 2019  
**Date/Record Date**

**12. If no distribution has been declared/(recommended), a statement to that effect and the reason(s) for the decision.**

A distribution has been declared for the period from 1 April 2019 to 30 June 2019.

**13. If the Group has obtained a general mandate from Unitholders for Interested Person Transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If not IPT mandate has been obtained, a statement to that effect.**

ECW does not have a general mandate from Unitholders for interested person transactions.

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**14. Segmental results**

	Group							
	1.4.19 to 30.6.19		1.4.18 to 30.6.18		1.1.19 to 30.6.19		1.1.18 to 30.6.18	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<b>Gross revenue</b>								
- Port logistics	10,929	46.0	11,521	46.5	21,899	46.1	22,777	46.6
- Specialised logistics	3,621	15.3	3,787	15.8	7,261	15.3	7,545	15.4
- E-commerce logistics	9,184	38.7	9,618	37.7	18,431	38.6	18,543	37.9
	23,734	100.0	24,926	100.0	47,591	100.0	48,865	100.0
<b>Net property income</b>								
- Port logistics	10,124	47.9	10,864	50.1	20,252	47.8	21,513	48.6
- Specialised logistics	3,223	15.2	3,523	17.4	6,432	15.2	6,968	15.7
- E-commerce logistics	7,810	36.9	8,420	32.5	15,658	37.0	15,816	35.7
	21,157	100.0	22,807	100.0	42,342	100.0	44,297	100.0

Please refer to Item 8 for review of actual performance.

**15. In review of performance, the factors leading to any changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to Item 8 for the review of the actual performance.

**16. Breakdown of sales**

	Group		
	1.1.19 to 30.6.19	1.1.18 to 30.6.18	Change
	S\$'000	S\$'000	%
First half of the year			
Gross revenue	47,591	48,865	(2.6)
Net property income	42,342	44,297	(4.4)

Please refer to Item 8 for review of actual performance.

**17. Breakdown of total distribution for the financial period ended 30 June 2019**

	Group	
	1.1.19 to 30.6.19	1.1.18 to 30.6.18
	S\$'000	S\$'000
In respect of the period:		
1 January 2018 to 31 March 2018	-	11,562
1 April 2018 to 30 June 2018	-	12,384
1 January 2019 to 31 March 2019	11,923	-
1 April 2019 to 30 June 2019	12,314	-
(Payable on or around 26 September 2019)		
	24,237	23,946

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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
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**18. Confirmation pursuant to Rule 720(1) of the Listing Manual**

The Board of Directors of the Manager hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

**19. Certificate pursuant to Paragraph 7.3 of the Property Funds Appendix**

The Manager hereby certifies that in relation to the distribution to the Unitholders for the quarter ended 30 June 2019:

- (a) ECW will declare a distribution which is classified as capital distribution from a tax perspective, being derived from the consolidated net profit after tax of ECW and its subsidiaries for the financial period, as adjusted to eliminate the effects of adjustments as listed in Item 1(a)(8).

ECW's distribution policy is to distribute 100% of ECW's distributable income for the period from the Listing Date to 31 December 2017. Thereafter, ECW will distribute at least 90% of its distributable income for each financial year. The actual distribution will be determined at the Manager's discretion.

- (b) The Manager is satisfied on reasonable ground that, immediate after making the distributions, ECW will be able to fulfill, from its deposited properties, its liabilities as they fall due.

**20. Confirmation pursuant to Rule 705(5) of Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render these unaudited interim financial statements of the Group and ECW (comprising the statement of financial position as at 30 June 2019, statement of total return & distribution statement, statement of cash flows and statement of movements in Unitholder's funds for the quarter ended on that date), together with their accompanying notes, to be false or misleading, in any material aspect.

On behalf of the Board of Directors of  
EC World Asset Management Pte. Ltd.  
(as Manager of EC World Real Estate Investment Trust)

Zhang Guobiao  
Chairman and Non-Executive Director

Goh Toh Sim  
Executive Director and Chief Executive Officer

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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

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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 ECW), 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 ECW. The forecast financial performance of ECW 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.

BY ORDER OF THE BOARD OF  
EC WORLD ASSET MANAGEMENT PTE. LTD.  
AS MANAGER OF EC WORLD REAL ESTATE INVESTMENT TRUST  
(Company Registration No. 201523015N)

Goh Toh Sim  
Executive Director and Chief Executive Officer  
6 August 2019