
**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

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 eight properties (collectively known as the “Properties”) located in Hangzhou and Wuhan, the PRC, with an aggregate net lettable area (“Net Lettable Area” or “NLA”) of 960,461 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);
7. Fu Zhuo Industrial (Port logistics); and
8. Fuzhou E-Commerce (E-commerce logistics).

EC WORLD REAL ESTATE INVESTMENT TRUST ("ECW")
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020

Summary Results of ECW

		Group					
		1.10.20 to 31.12.20	1.10.19 to 31.12.19	Change	1.1.20 to 31.12.20	1.1.19 to 31.12.19	Change
Notes		S\$'000	S\$'000	%	S\$'000	S\$'000	%
	Gross revenue	(1) 29,532	25,862	14.2	109,726	99,128	10.7
	Net property income	(1) 27,203	24,475	11.1	100,307	89,737	11.8
	Distribution to Unitholders	11,499	12,098	(5.0)	43,111	48,208	(10.6)
	Distribution per unit ("DPU") (cents)	(2) 1.427	1.510	(5.5)	5.359	6.047	(11.4)
	Annualised distribution yield (%)						
	- Based on share price of S\$0.715 per unit as at 31 December 2020	7.94	8.04	(1.2)	7.50	8.12	(7.6)

Notes:

- (1) The increase in gross revenue and net property income was mainly due to the acquisition of Fuzhou E-commerce, organic rental escalations and appreciation of RMB against SGD. After adjusting for effective rent, security deposit accretion and other relevant distribution adjustments in section 1(a)(8), gross revenue and net property income were S\$29.5 million and S\$27.1 million respectively in 4Q2020 (4Q2019: S\$26.0 million and S\$25.1 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. ECW has been making distribution on a quarterly basis since its first distribution on 28 November 2016. The Manager will determine at a later stage whether it will change the frequency of distributions.

For 4Q2020, the Manager has resolved to distribute 90% of the tax-exempt distribution to Unitholders. ECW will retain 10% of total amount available for distribution in 4Q2020 in view of uncertainties arising from prolonged coronavirus disease ("COVID-19") pandemic globally and for general working capital purpose. Please refer to section 1(a) for the distribution statement. The next distribution for the period from 1 October 2020 to 31 December 2020 will be made on or around 31 March 2021.

Distribution and Record Date

Distribution	1 October 2020 to 31 December 2020
Distribution type	Tax-exempt distribution
Distribution rate	1.427 cents
Record date	15 March 2021
Payment date (est)	31 March 2021

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

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

1(a) Statement of Total Return and Distribution Statement

Statement of Total Return		Group					
		1.10.20 to 31.12.20	1.10.19 to 31.12.19	Change	1.1.20 to 31.12.20	1.1.19 to 31.12.19	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
	(1)	29,532	25,862	14.2	109,726	99,128	10.7
	(2)	(2,329)	(1,387)	67.9	(9,419)	(9,391)	0.3
		27,203	24,475	11.1	100,307	89,737	11.8
		512	342	49.7	1,883	1,788	5.3
		(9,851)	(9,723)	1.3	(39,059)	(32,936)	18.6
	(3)	(1,346)	(1,276)	5.5	(4,972)	(4,886)	1.8
		(84)	(80)	5.0	(331)	(303)	9.2
	(4)	2,362	1,515	55.9	969	414	>100
	(5)	(196)	(466)	(57.9)	(1,355)	(1,683)	(19.5)
		18,600	14,787	25.8	57,442	52,131	10.2
		87	-	N/M	87	-	N/M
	(6)	(10,594)	35,570	N/M	(10,594)	50,342	N/M
	(7)	(2,752)	(4,219)	(34.8)	(9,306)	(4,306)	>100
		5,341	46,138	(88.4)	37,629	98,167	(61.7)
		(8,027)	(16,924)	(52.6)	(22,210)	(32,946)	(32.6)
		(2,686)	29,214	N/M	15,419	65,221	(76.4)
Distribution statement							
	(8)	(2,686)	29,214	N/M	15,419	65,221	(76.4)
		15,469	(16,473)	N/M	31,811	(16,370)	N/M
		12,783	12,741	0.3	47,230	48,851	(3.3)
		11,499	12,098	(5.0)	43,111	48,208	(10.6)

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.

The Manager has agreed to receive 50% of its base fee in the form of units for the year from 1 January 2020 to 31 December 2020. The Manager has decided not to receive its performance fee for the year from 1 January 2020 to 31 December 2020.
- (4) Foreign exchange gain arises mainly from revaluation of loans in foreign currency.
- (5) Other trust expenses include professional fees and other non-property related expenses.
- (6) The investment properties were revalued on 31 December 2020 by Savills Real Estate Valuation (Guangzhou) Ltd – Shanghai Branch.

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

- (7) The net change in fair value of financial derivatives relates to various derivative financial instruments which were put in place by the Manager to hedge interest rate and exchange rate risks.
- (8) Net effect of (non-taxable income) / tax deductible expenses and other adjustments comprises:

	Group					
	1.10.20 to 31.12.20	1.10.19 to 31.12.19	Change	1.1.20 to 31.12.20	1.1.19 to 31.12.19	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Straight-lining of step-up rental	113	912	(87.6)	2,898	2,906	(0.3)
Security deposit accretion	618	23	>100	390	118	>100
Manager's base fees paid/payable in units	673	1,276	(47.3)	2,486	4,886	(49.1)
Trustee's fees	84	80	5.0	331	303	9.2
Fair value loss/(gain) on investment properties	10,594	(35,570)	N/M	10,594	(50,342)	N/M
Deferred tax expense	1,731	12,514	(86.2)	1,028	15,709	(93.5)
Fair value loss on financial derivatives	2,752	4,219	(34.8)	9,306	4,306	>100
Amortisation of upfront debt issuance costs	1,404	1,486	(5.5)	5,653	4,725	19.6
Foreign exchange gain, net (unrealised)	(2,306)	(1,671)	38.0	(974)	(564)	72.7
Gain on disposal of IP	(87)	-	N/M	(87)	-	N/M
Provision of real estate tax	-	428	N/M	293	1,748	(83.2)
Write-back provision for doubtful debts	(107)	(164)	(34.8)	(107)	(164)	(34.8)
Others	-	(6)	N/M	-	(1)	N/M
Total distribution adjustments	15,469	(16,473)	N/M	31,811	(16,370)	N/M

EC WORLD REAL ESTATE INVESTMENT TRUST ("ECW")
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020

1(b)(i) Balance Sheet

		Group		ECW	
		Actual		Actual	
		31.12.20	31.12.19	31.12.20	31.12.19
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	(1)	151,692	119,469	1,310	305
Derivative financial assets	(2)	6	110	6	110
Trade and other receivables	(3)	40,303	36,876	965	1,214
Loans to subsidiaries		-	-	288,095	288,978
		192,001	156,455	290,376	290,607
Non-current assets					
Investment properties	(4)	1,623,653	1,567,586	-	-
Investment in subsidiaries		-	-	39,588	39,588
		1,623,653	1,567,586	39,588	39,588
Total assets		1,815,654	1,724,041	329,964	330,195
LIABILITIES					
Current liabilities					
Trade and other payables		30,028	34,139	1,848	1,874
Loans from a subsidiary		-	-	416,720	393,700
Borrowings	(5)	91,047	67,889	-	15,690
Derivative financial liabilities	(2)	13,506	4,301	-	71
Current income tax liabilities		19,666	11,743	-	-
		154,247	118,072	418,568	411,335
Non-current liabilities					
Borrowings	(5)	592,784	586,625	-	-
Deferred income tax liabilities	(6)	285,084	271,022	-	-
Trade and other payables		67,035	63,392	-	-
Government grant		994	1,005	-	-
		945,897	922,044	-	-
Total liabilities		1,100,144	1,040,116	418,568	411,335
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		715,510	683,925	(88,604)	(81,140)
Represented by:					
UNITHOLDERS' FUNDS	(7)	715,510	683,925	(88,604)	(81,140)

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

Notes

- (1) Includes RMB194.7 million (S\$39.4 million) cash security deposits received from the master leases and cash deposits of RMB484.4 million (S\$98.0 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 31 December 2020, the derivative instruments entered into were:
- (a) Plain vanilla interest rate swaps (to hedge the interest rate of the Offshore Facility);
 - (b) Cross currency swaps (to hedge the interest rate and foreign exchange rate of the Offshore Facility); and
 - (c) Currency options contracts (to hedge the expected income repatriation from China to Singapore).
- (3) The increase in trade and other receivables was mainly due to delays in receipt of rental income from tenants as a result of the COVID-19 situation in China.
- (4) Represents the year-end fair values of the investment properties based on valuation as at 31 December 2020 conducted by Savills Real Estate Valuation (Guangzhou) Ltd – Shanghai Branch. The investment properties are pledged as security for the borrowings of ECW and its subsidiaries (collectively, the “Group”). In RMB terms, the valuation as at 31 December 2020 is marginally lower at RMB8.0 billion compared to the valuation of RMB8.1 billion a year ago. In SGD terms, the carrying amount of investment properties increased vis-à-vis a year ago due to a stronger RMB currency.
- (5) Consists of term loan facilities drawn down in 3Q2019 and revolving credit facilities.
- Please refer to item 1(b)(ii) Aggregate Amount of Borrowings and Debt Securities for details.
- (6) Relates mainly to the deferred tax liability arising from the fair valuation of investment properties.
- (7) 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	
	31.12.20	31.12.19	31.12.20	31.12.19
	S\$’000	S\$’000	S\$’000	S\$’000
Secured borrowings				
Amount repayable in one year or less	91,191	68,026	-	15,690
Less: Unamortised debt issuance costs	(144)	(137)	-	-
	91,047	67,889	-	15,690
Amount repayable after one year	600,859	599,810	-	-
Less: Unamortised debt issuance costs	(8,075)	(13,185)	-	-
	592,784	586,625	-	-
Total borrowings	683,831	654,514	-	15,690

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

Notes:

Details of Collaterals and Borrowings

The key terms of the onshore secured term loans facility (the “**Onshore Facility**”) and the offshore secured term loan facility (the “**Offshore Facility**”) are as follows:

(a) Onshore Facility

ECW has put in place 3-year RMB1,018.0 million (S\$206.0 million) and 10-year RMB77.0 million (S\$15.6 million) secured term loan facility.

The facility is 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. and Wuqiao Zhonggong Merlot (Hubei) Logistics Co., Ltd. and a first ranking pledge over 65.98% equity interests of Zhejiang Fuzhou E-Commerce Co., Ltd. held by Wuhan Fute 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., Hangzhou Chongxian Port Logistics Co., Ltd., Wuqiao Zhonggong Merlot (Hubei) Logistics Co., Ltd., Hangzhou Chongxian Port Investment Co., Ltd., Hangzhou Beigang Logistics Co., Ltd., Zhejiang Hengde Sangpu Logistics Co., Ltd., Zhejiang Fuzhou E-Commerce Co., Ltd., Wuhan Fute Logistics Co., Ltd., Jiayaoyingkai (Shanghai) Supply Chain Management Co., Ltd., and an unconditional and irrevocable guarantee from DBS Trustee Limited (in its capacity as Trustee of ECW);
- iii) a first ranking mortgage over the Properties;
- iv) a pledge of all sales proceeds, rental income 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, Hangzhou Branch) named as the first beneficiary;
- vii) an assignment of all present and future rights and interests of the Onshore Borrowers (which consists of Hangzhou Chongxian Port Investment Co., Ltd., Hangzhou Bei Gang Logistics Co., Ltd., Zhejiang Hengde Sangpu Logistics Co., Ltd. and Zhejiang Fuzhou E-commerce Co., Ltd.), Hangzhou Fu Zhuo Industrial Co., Ltd., Hangzhou Fu Heng Warehouse Co., Ltd., Hangzhou Chongxian Port Logistics Co., Ltd. and Wuqiao Zhonggong Merlot (Hubei) Logistics Co., Ltd. in relation to inter-company debts and shareholder’s loans;
- viii) a subordination deed in relation to the inter-company debts and shareholder’s loans made to the Onshore Borrowers; and
- ix) any other security as may be reasonably required by the lenders.

The blended all-in interest rate for the quarter and full year ended 31 December 2020 was 6.3%. The blended all-in running interest rate for the quarter and full year ended 31 December 2020 was 6.0% and 5.9% respectively.

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

(b) Offshore Facility

ECW has 3-year S\$305.6 million and US\$86.8 million (S\$114.8 million) secured term loan facility secured by way of, *inter alia*:

- i) An unconditional and irrevocable guarantee from Fullwealth Investment Pte. Ltd., Richwin Investment Pte. Ltd., Prorich Investment Pte. Ltd., Richport Investment Pte. Ltd., Magnasset Investment Pte. Ltd., JY Logistics Investment Pte. Ltd. and Realtime Assets Global Pte. Ltd. (the “Singapore Holding Companies”) and Flutric Investments Limited (the “BVI Holding Company”), and the Trustee (in its capacity as trustee of ECW) on a joint and several basis;
- ii) A charge over the entire issued share capital of each of the Singapore Holding Companies, the BVI Holding Company and ECW Treasure Pte. Ltd. (“ECWT”);
- iii) A pledge over the entire issued equity interest of each 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., Zhejiang Hengde Sangpu Logistics Co., Ltd., Wuhan Fute Logistics Co., Ltd. and Zhejiang Fuzhou E-commerce Co., Ltd.;
- iv) A mortgage over each of the Properties and a floating mortgage over the assets of Zhejiang Fuzhou E-commerce Co., Ltd., in each case, securing the term loan facility of S\$39.1 million and US\$5.84 million; and
- v) A debenture over all the assets of the Trustee (in its capacity as trustee of ECW) relating to and/or in connection with the Properties, and debentures over all of the assets of each of the Singapore Holding Companies and ECWT.

The blended all-in interest rate for the quarter and full year ended 31 December 2020 was 5.3%. The blended all-in running interest rate for the quarter and full year ended 31 December 2020 was 4.1%. As at 31 December 2020, S\$300.0 million and US\$86.8 (S\$114.8 million) of the above facility were drawn down and 100% of the interest rate risk of the Offshore Facility was hedged using floating to fixed interest rate swaps and cross currency swaps.

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

(c) Revolving Credit Facilities

ECW has put in place uncommitted revolving credit facilities 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 31 December 2020, ECW had drawn down a total of S\$85.7 million short-term loans 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 RMB484.4 million (S\$98.0 million). The interest rates ranged from 1.0% to 1.7% and 1.0% to 2.6% per annum for the quarter and full year ended 31 December 2020.

The blended all-in interest rate of the aggregate facilities for the quarter and full year ended 31 December 2020 was 5.1%. The blended all-in running interest rate for the quarter and full year ended 31 December 2020 was 4.2% and 4.3% per annum respectively. At the end of the year, the Aggregate Leverage for the Group was 38.1% (31 December 2019: 38.7%) and the interest coverage ratio¹ was 2.62 times (31 December 2019: 2.76 times).

¹ calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees.

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

1(c) Cash Flows Statement

		Group			
		1.10.20 to 31.12.20	1.10.19 to 31.12.19	1.1.20 to 31.12.20	1.1.19 to 31.12.19
		S\$'000	S\$'000	S\$'000	S\$'000
Cash Flows from Operating Activities					
	Total return for the financial period	(2,686)	29,214	15,419	65,221
	Adjustments for:				
	- Income tax	8,027	16,924	22,210	32,946
	- Interest income	(512)	(342)	(1,883)	(1,788)
	- Finance cost	9,851	9,723	39,059	32,936
	- Effect of straight lining of step-up rental	113	912	2,898	2,906
	- Effect of security deposits accretion	(177)	(755)	(2,494)	(2,827)
	- Gain on Disposal of Investment Properties	(87)	-	(87)	-
	- Fair value loss on derivative instruments	2,752	4,219	9,306	4,306
	- Fair value gain on investment properties	10,594	(35,570)	10,594	(50,342)
	- Write-back provision for doubtful receivables	(107)	(104)	(107)	(104)
	- Manager's base fees payable in units	673	1,276	2,486	4,886
	- Exchange gain	(2,306)	(1,671)	(974)	(564)
	Operating cash flow before working capital change	26,135	23,826	96,427	87,576
	Changes in working capital:				
	Trade and other receivables	11,905	(3,233)	(927)	3,177
	Trade and other payables	(1,074)	(3,000)	(2,459)	15,016
	Cash generated from operating activities	36,966	17,593	93,041	105,769
	Interest received	512	342	1,883	1,788
	Income tax paid (net)	(829)	(1,576)	(13,859)	(15,215)
	Net cash generated from operating activities	36,649	16,359	81,065	92,342
	Cash Flows from Investing Activities				
	Additions to investment properties	-	(2,468)	-	(3,355)
	Refund received/(payment made) for acquisition of subsidiary, net of cash acquired	-	1,665	-	(152,837)
	Proceeds from disposal of investment properties	1,061	-	1,061	-
	Net cash generated from/(used in) investing activities	1,061	(803)	1,061	(156,192)
	Cash Flows from Financing Activities				
	Repayment of bank borrowings	(13,000)	(24,752)	(53,676)	(537,207)
	Distribution to Unitholders	(11,172)	(11,873)	(43,710)	(48,540)
	Proceeds from bank borrowings	15,800	23,546	71,149	667,952
	Payment of loan transaction fees	-	(2,022)	-	(15,709)
	Interest paid	(7,102)	(7,769)	(28,708)	(23,178)
	SBLC commission paid	(59)	(60)	(245)	(355)
	Settlement of derivative financial instruments (net)	-	52	-	121
	Placements of deposits for SBLC facilities	(2,981)	1,213	(24,840)	18,575
	Increase in interest reserves	-	(82)	-	(6,224)
	Net cash (used in)/generated from financing activities	(18,514)	(21,747)	(80,030)	55,435
	Net increase/(decrease) in cash and cash equivalents	19,196	(6,191)	2,096	(8,415)
	Cash and cash equivalents at beginning of financial period	18,810	41,008	34,697	43,698
	Effects of exchange rate changes on cash and cash equivalents	31	(120)	1,244	(586)
	Cash and cash equivalents at the end of financial period	38,037	34,697	38,037	34,697

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

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:

	Group	
	31.12.20	31.12.19
	S\$'000	S\$'000
Cash and cash equivalents (as per Balance Sheet)	151,692	119,469
Less:		
- Interest reserves [#]	(15,610)	(15,304)
- Cash collateral for SBLC facilities	(98,045)	(69,468)
Cash and cash equivalents per consolidated statement of cash flows	38,037	34,697

[#] Bank deposits maintained as interest reserves, as required by the Offshore Facility and Onshore Facility agreements.

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

1(d)(i) Statements of Changes in Unitholders’ Funds

	Group		Group	
	1.10.20 to 31.12.20	1.10.19 to 31.12.19	1.1.20 to 31.12.20	1.1.19 to 31.12.19
	S\$'000	S\$'000	S\$'000	S\$'000
OPERATIONS				
Balance as at beginning of the period	857,222	825,913	850,259	801,827
Total return after tax	(2,686)	29,214	15,419	65,221
Distributions to unitholders	(11,172)	-	(22,314)	(11,921)
Transfer to general reserves	(5,198)	(4,868)	(5,198)	(4,868)
Balance as at end of the period	838,166	850,259	838,166	850,259
GENERAL RESERVES				
Balance as at beginning of the period	15,709	10,841	15,709	10,841
Transfer from operations	5,198	4,868	5,198	4,868
Balance as at end of the period	20,907	15,709	20,907	15,709
UNITHOLDERS' CONTRIBUTION				
Balance as at beginning of the period	(68,929)	(42,155)	(49,974)	(20,137)
Movement during the period				
- Manager's base fees paid in units	646	2,418	3,087	4,853
- Manager's performance fees paid in units	-	-	-	293
- Manager's acquisition fees paid in units	-	1,636	-	1,636
- Distributions to unitholders	-	(11,873)	(21,396)	(36,619)
Balance as at end of the period	(68,283)	(49,974)	(68,283)	(49,974)
FOREIGN CURRENCY TRANSLATION RESERVE				
Balance as at beginning of the period	(85,483)	(128,580)	(132,069)	(103,979)
Translation differences relating to financial statements of foreign subsidiaries	10,203	(3,489)	56,789	(28,090)
Balance as at end of the period	(75,280)	(132,069)	(75,280)	(132,069)
Total Unitholders' funds as at end of the period	715,510	683,925	715,510	683,925

	ECW		ECW	
	1.10.20 to 31.12.20	1.10.19 to 31.12.19	1.1.20 to 31.12.20	1.1.19 to 31.12.19
	S\$'000	S\$'000	S\$'000	S\$'000
OPERATIONS				
Balance as at beginning of the period	(19,086)	(27,858)	(31,166)	(11,746)
Total return after tax	9,937	(3,308)	33,159	(7,499)
Distributions to unitholders	(11,172)	-	(22,314)	(11,921)
Balance as at end of the period	(20,321)	(31,166)	(20,321)	(31,166)
UNITHOLDERS' CONTRIBUTION				
Balance as at beginning of the period	(68,929)	(42,155)	(49,974)	(20,137)
Movement during the period				
- Manager's base fees paid in units	646	2,418	3,087	4,853
- Manager's performance fees paid in units	-	-	-	293
- Manager's acquisition fees paid in units	-	1,636	-	1,636
- Distributions to unitholders	-	(11,873)	(21,396)	(36,619)
Balance as at end of the period	(68,283)	(49,974)	(68,283)	(49,974)
Total Unitholders' funds as at end of the period	(88,604)	(81,140)	(88,604)	(81,140)

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

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

		Group and ECW			
		1.10.20 to 31.12.20	1.10.19 to 31.12.19	1.1.20 to 31.12.20	1.1.19 to 31.12.19
		Units	Units	Units	Units
Balance as at beginning of period		804,883,311	795,795,328	801,206,236	792,014,317
- Manager's base fees paid in units		960,670	3,206,072	4,637,745	6,564,269
- Manager's performance fees paid in units		-	-	-	422,814
- Manager's acquisition fees paid in units		-	2,204,836	-	2,204,836
Issued units as at the end of period		805,843,981	801,206,236	805,843,981	801,206,236
Units to be issued	(1)	938,534	-	938,534	-
- Manager's base fees payable in units for 1.10.20 to 31.12.20		-	1,690,288	-	1,690,288
- Manager's base fees payable in units for 1.10.19 to 31.12.19		-	-	-	-
Total issued and to be issued units		806,782,515	802,896,524	806,782,515	802,896,524

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 received 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). Subsequently, 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 elected to receive 50% of its base fee in the form of units for the year from 1 January 2020 to 31 December 2020. The Manager has decided not to receive its performance fee for the year from 1 January 2020 to 31 December 2020.

- 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 2019.

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

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 2020 as follows:

Amendments to FRS 103 *Business Combination* (effective for annual periods beginning on or after 1 January 2020)

The amendments provide new guidance on the assessment of whether an acquisition meets the definition of a business under FRS 103. To be considered a business, an acquisition would have to include an output and a substantive process that together significantly contribute to the ability to create outputs. A framework is introduced to evaluate when an input and substantive process are present. To be a business without outputs, there will now need to be an organised workforce.

The definition of the term “outputs” is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets. Entities can apply a “concentration test” that, if met, eliminates the need for further assessment. Under this optional test, where substantially all the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business. These amendments are applied to business combinations and asset acquisitions with acquisition date on or after 1 January 2020. Early application is permitted. The Group does not expect any significant impact arising from applying these amendments.

**EC WORLD REAL ESTATE INVESTMENT TRUST ("ECW")
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

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

		Group			
Note	1.10.20 to 31.12.20	1.10.19 to 31.12.19	1.1.20 to 31.12.20	1.1.19 to 31.12.19	
Weighted average number of units as at end of period Earnings per unit ("EPU") - Basic and Diluted (cents)	804,904,195 (0.33)	798,415,599 3.66	803,259,381 1.92	795,151,099 8.20	
(1)					
Number of units entitled to distribution Distribution per unit ("DPU") (cents) Distribution per unit ("DPU") (cents) - Annualised	805,843,981 1.427 5.677	801,206,236 1.510 5.991	805,843,981 5.359 5.359	801,206,236 6.047 6.047	
(2)					

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 1.427 cents per unit for period from 1 October 2020 to 31 December 2020 will be paid on or around 31 March 2021.

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

	As at 31.12.20	As at 31.12.19
NAV / NTA of Group - attributable to Unitholders (S\$'000)	715,510	683,925
NAV / NTA of REIT (S\$'000)	(88,604)	(81,140)
Number of units outstanding as at end of each period ('000)	805,844	801,206
Group's net asset value per unit (S\$)	0.89	0.85
REIT's net asset value per unit (S\$)	(0.11)	(0.10)

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

8. Review of the Performance

(i) Review of performance for the quarter ended 31 December 2020

Gross revenue of S\$29.5 million was S\$3.7 million or 14.2% higher compared to 4Q2019. Net property income (“NPI”) of S\$27.2 million was S\$2.7 million or 11.1% higher compared to 4Q2019. In RMB terms, the gross revenue and NPI were 8.7% and 5.8% higher respectively compared to 4Q2019. After straight-line, security deposit accretion and other relevant distribution adjustments, the gross revenue and NPI in RMB terms were 7.8% and 3.1% higher respectively compared to 4Q2019, mainly due to organic rental escalations and appreciation of RMB against SGD.

Finance costs of S\$9.9 million were S\$0.1 million or 1.3% higher compared to 4Q2019.

Distribution to Unitholders of S\$11.5 million represents S\$0.6 million or 5.0% decrease compared to 4Q2019 mainly due to retention of 10% of distributable income in 4Q2020 as compared to 5% in 4Q2019.

(ii) Review of performance for the twelve months ended 31 December 2020

Gross revenue of S\$109.7 million was S\$10.6 million or 10.7% higher compared to FY2019. Net property income (“NPI”) of S\$100.3 million was S\$10.6 million or 11.8% higher compared to FY2019. In RMB terms, the gross revenue and NPI were 9.2% and 10.3% higher respectively compared to FY2019. After straight-line, security deposit accretion and other relevant distribution adjustments, the gross revenue and NPI in RMB terms were 9.5% and 8.8% higher respectively compared to FY2019, mainly due to contribution from Fuzhou E-commerce which was acquired in August 2019, organic rental escalations and appreciation of RMB against SGD. The increases were partially offset by a one-off rental rebate given to tenants as announced on 3 April 2020 to mitigate the adverse effects of the current COVID-19 situation on tenants’ operations.

Finance costs of S\$39.1 million were S\$6.1 million or 18.6% higher compared to FY2019. This was mainly due to higher term loan quantum undertaken for the acquisition of Fuzhou E-Commerce in August 2019.

Distribution to Unitholders of S\$43.1 million represents S\$5.1 million or 10.6% decrease compared to FY2019 mainly due to rental rebates given in 1Q2020 as announced on 3 April 2020 and retention of distributable income.

9. Variance between the forecast

ECW did not disclose any financial forecast to the market.

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

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 National Bureau of Statistics² 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 39,198.1 billion yuan. However, online retail sales showed an increase of 10.9% year-on-year to 11,760.1 billion yuan in 2020.

Despite China’s GDP growth in 2020, uncertainties and instabilities persist with the evolving epidemic situations and the global macro environment². Impacted by the resurgence of local COVID-19 cases, China manufacturing PMI dropped to 51.3 in January 2021, its lowest level since June 2020³.

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 travel⁴. At the same time, the Chinese government continues with its stringent epidemic measures to prevent the resurgence of COVID-19.

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 levels⁵.

As at 31 December 2020, EC World REIT has a weighted average lease to expiry of about 3.4 years (by gross rental income). 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 a major lease with China Tobacco Zhejiang Industrial Co., Ltd (“China Tobacco”) at Hengde Logistics which will expire in May 2021. The Manager has commenced negotiation of the lease renewal with China Tobacco and will keep the investing community duly informed of any material development. EC World REIT’s portfolio occupancy remained healthy at 99.3% as at 31 December 2020. Four out of its eight Properties are on master leases with embedded rental escalation which will provide organic growth to the Group.

² National Bureau of Statistics, China: http://www.stats.gov.cn/english/PressRelease/202010/t20201019_1794616.html

³ <https://www.reuters.com/article/china-economy-pmi/chinas-jan-factory-activity-expands-at-slowest-pace-in-7-mths-caixin-pmi-idUSZUN000Z13>

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

⁵ <https://www.marketwatch.com/story/chinas-economy-is-not-out-of-the-woods-yet-2021-02-07>

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

11. Distribution

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: Distribution for the period from 1 October 2020 to 31 December 2020

Distribution types: Tax-exempt distribution

Distribution rate: 1.427 cents per unit

Tax rate: Tax-exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders. No tax will be deducted from such distribution.

Remarks: The distribution to Unitholders is based on 90% of the distributable income for the period from 1 October 2020 to 31 December 2020.

(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 1.510 cents per unit was declared for the period from 1 October 2019 to 31 December 2019.

(c) Date Payable (est.) 31 March 2021

(d) Record Date 15 March 2021

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 October 2020 to 31 December 2020.

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.

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

14. Segmental results

	Group							
	1.10.20 to 31.12.20		1.10.19 to 31.12.19		1.1.20 to 31.12.20		1.1.19 to 31.12.19	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Gross revenue								
- Port logistics	11,383	38.5	9,098	35.1	42,676	38.9	41,766	42.2
- Specialised logistics	3,620	12.3	3,507	13.6	14,209	12.9	14,320	14.4
- E-commerce logistics	14,529	49.2	13,257	51.3	52,841	48.2	43,042	43.4
	29,532	100.0	25,862	100.0	109,726	100.0	99,128	100.0
Net property income								
- Port logistics	10,339	38.0	8,900	36.4	39,408	39.3	39,159	43.6
- Specialised logistics	3,415	12.6	3,364	13.7	12,935	12.9	12,916	14.4
- E-commerce logistics	13,449	49.4	12,211	49.9	47,964	47.8	37,662	42.0
	27,203	100.0	24,475	100.0	100,307	100.0	89,737	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 review of actual performance.

16. Breakdown of sales

	Group		
	1.1.20 to 31.12.20	1.1.19 to 31.12.19	Change
	S\$'000	S\$'000	%
<u>First half of the year</u>			
Gross revenue	51,739	47,591	8.7
Net property income	46,973	42,342	10.9
<u>Second half of the year</u>			
Gross revenue	57,987	51,537	12.5
Net property income	53,334	47,395	12.5

Please refer to Item 8 for review of actual performance.

17. Status of Master lease agreements

Property	Commencement date	Remaining term (Years)	Gross revenue received from 1.1.20 to 31.12.20
			(inclusive of VAT) (RMB'000)
Chongxian Port Investment	Existing master lease: 1 January 2016 New master lease: 1 January 2021	4.0	156,436
The Stage 1 Properties of Bei Gang Logistics	Existing master lease: 1 November 2015 New master lease: 1 November 2020	3.8	118,115
Fu Heng Warehouse	Existing master lease: 1 January 2016 New master lease: 1 January 2021	4.0	49,060
Fuzhou E-Commerce	8 August 2019	3.6	86,765

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

18. Breakdown of total distribution for the financial period ended 31 December 2020

In respect of the period:

1 January 2019 to 31 March 2019
 1 April 2019 to 30 June 2019
 1 July 2019 to 30 September 2019
 1 October 2019 to 31 December 2019
 1 January 2020 to 31 March 2020
 1 April 2020 to 30 June 2020
 1 July 2020 to 30 September 2020
 1 October 2020 to 31 December 2020

(Payable on or around 31 March 2021)

Group	
1.1.20 to 31.12.20	1.1.19 to 31.12.19
S\$'000	S\$'000
-	11,923
-	12,314
-	11,873
-	12,098
9,298	-
11,142	-
11,172	-
11,499	-
43,111	48,208

19. Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors of EC World Asset Management Pte Ltd (the “Company”), as manager of ECW, confirms that there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a Director or Chief Executive Officer or substantial unitholders of ECW.

20. 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.

21. 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 31 December 2020:

- (a) ECW will declare a distribution which is classified as tax-exempt 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. For 4Q2020, the Manager has resolved to distribute 90% of the tax-exempt distribution to Unitholders.

- (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.

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED
31 DECEMBER 2020**

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

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.

FOR AND ON BEHALF 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
23 February 2021