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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

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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 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).

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**Summary Results of ECW**

		Group					
		1.4.20 to 30.6.20	1.4.19 to 30.6.19	Change	1.1.20 to 30.6.20	1.1.19 to 30.6.19	Change
Notes		S\$'000	S\$'000	%	S\$'000	S\$'000	%
	Gross revenue	(1) 28,205	23,734	18.8	51,739	47,591	8.7
	Net property income	(1) 25,835	21,157	22.1	46,973	42,342	10.9
	Distribution to Unitholders	11,142	12,314	(9.5)	20,440	24,237	(15.7)
	Distribution per unit ("DPU") (cents)	(2) 1.386	1.547	(10.4)	2.544	3.048	(16.5)
	Annualised distribution yield (%)						
	- Based on share price of S\$0.690 per unit as at 30 June 2020	8.08	7.96	1.6	7.41	7.88	(6.0)

**Notes:**

- (1) The increase in gross revenue and net property income was mainly due to the acquisition of Fuzhou E-commerce and organic rental escalations. After adjusting for effective rent, security deposit accretion and other relevant distribution adjustments in section 1(a)(7), gross revenue and net property income were S\$28.4 million and S\$26.0 million respectively in 2Q2020 (2Q2019: S\$23.8 million and S\$21.6 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 2Q2020, 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 2Q2020 in view of uncertainties arising from prolonged COVID-19 pandemic globally. Please refer to section 1(a) for the distribution statement. The next distribution for the period from 1 April 2020 to 30 June 2020 will be made on or around 28 September 2020.

**Distribution and Record Date**

Distribution	1 April 2020 to 30 June 2020
Distribution type	Tax-exempt distribution
Distribution rate	1.386 cents
Record date	14 September 2020
Payment date (est)	28 September 2020

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					
		1.4.20 to 30.6.20	1.4.19 to 30.6.19	Change	1.1.20 to 30.6.20	1.1.19 to 30.6.19	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
	Notes						
Gross revenue	(1)	28,205	23,734	18.8	51,739	47,591	8.7
Property expenses	(2)	(2,370)	(2,577)	(8.0)	(4,766)	(5,249)	(9.2)
<b>Net property income</b>		<b>25,835</b>	<b>21,157</b>	<b>22.1</b>	<b>46,973</b>	<b>42,342</b>	<b>10.9</b>
Finance income		364	436	(16.5)	709	865	(18.0)
Finance costs		(9,751)	(6,986)	39.6	(19,487)	(13,953)	39.7
Manager's management fees	(3)						
- Base fees		(1,303)	(1,231)	5.8	(2,334)	(2,423)	(3.7)
Trustee's fees		(81)	(72)	12.5	(163)	(144)	13.2
Foreign exchange gain/(loss)	(4)	1,568	1,343	16.8	(2,403)	402	N/M
Other trust expenses	(5)	(425)	(358)	18.7	(781)	(726)	7.6
<b>Net income</b>		<b>16,207</b>	<b>14,289</b>	<b>13.4</b>	<b>22,514</b>	<b>26,363</b>	<b>(14.6)</b>
Net change in fair value of financial derivatives	(6)	(5,492)	(125)	>100	(4,650)	122	N/M
<b>Total return for the financial period before income tax</b>		<b>10,715</b>	<b>14,164</b>	<b>(24.4)</b>	<b>17,864</b>	<b>26,485</b>	<b>(32.6)</b>
Income tax expenses		(4,614)	(3,949)	16.8	(8,424)	(8,264)	1.9
<b>Total return for the financial period after income tax before distribution</b>		<b>6,101</b>	<b>10,215</b>	<b>(40.3)</b>	<b>9,440</b>	<b>18,221</b>	<b>(48.2)</b>
<u>Distribution statement</u>							
Total return for the financial period after income tax before distribution	(7)	6,101	10,215	(40.3)	9,440	18,221	(48.2)
Distribution adjustments		6,275	2,099	>100	12,724	6,016	>100
<b>Total amount available for distribution</b>		<b>12,376</b>	<b>12,314</b>	<b>0.5</b>	<b>22,164</b>	<b>24,237</b>	<b>(8.6)</b>
<b>Distribution to Unitholders</b>		<b>11,142</b>	<b>12,314</b>	<b>(9.5)</b>	<b>20,440</b>	<b>24,237</b>	<b>(15.7)</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.

The Manager has agreed to receive 50% of its base fee in the form of units for the period from 1 January 2020 to 31 December 2020.

- (4) Foreign exchange gain/(loss) arises mainly from revaluation of loans in foreign currency.
- (5) Other trust expenses include professional fees and other non-property related expenses.
- (6) The net change in fair value of financial derivatives related to various derivative financial instruments which were put in place by the Manager to hedge interest rate and exchange rate risks.

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

	Group					
	1.4.20 to 30.6.20	1.4.19 to 30.6.19	Change	1.1.20 to 30.6.20	1.1.19 to 30.6.19	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Straight-lining of step-up rental	956	691	38.4	1,889	1,305	44.8
Security deposit accretion	(62)	34	N/M	(165)	67	N/M
Manager's base fees paid/payable in units	652	1,231	(47.0)	1,167	2,423	(51.8)
Trustee's fees	81	72	12.5	163	144	13.2
Deferred tax credit	(712)	(173)	>100	(479)	(326)	46.9
Fair value loss/(gain) on financial derivatives	5,492	125	>100	4,650	(122)	N/M
Amortisation of upfront debt issuance costs	1,498	1,022	46.6	2,865	2,034	40.9
Foreign exchange (gain)/loss, net (unrealised)	(1,630)	(1,341)	21.6	2,341	(397)	N/M
Provision of real estate tax	-	442	N/M	293	886	(66.9)
Others	-	(4)	N/M	-	2	N/M
Total distribution adjustments	6,275	2,099	>100	12,724	6,016	>100

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

		<b>Group</b>		<b>ECW</b>	
		<b>Actual</b>		<b>Actual</b>	
		<b>30.6.20</b>	<b>31.12.19</b>	<b>30.6.20</b>	<b>31.12.19</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)	119,337	119,469	430	305
	(2)	-	110	-	110
	(3)	56,867	36,876	1,172	1,214
		-	-	290,597	288,978
		176,204	156,455	292,199	290,607
<b>Non-current assets</b>					
	(4)	1,598,099	1,567,586	-	-
		-	-	39,588	39,588
		1,598,099	1,567,586	39,588	39,588
<b>Total assets</b>					
		<b>1,774,303</b>	<b>1,724,041</b>	<b>331,787</b>	<b>330,195</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
		34,456	34,139	1,565	1,874
		-	-	409,875	393,700
	(5)	88,505	67,889	12,400	15,690
	(2)	8,821	4,301	-	71
		10,612	11,743	-	-
		142,394	118,072	423,840	411,335
<b>Non-current liabilities</b>					
	(5)	594,274	586,625	-	-
	(6)	276,169	271,022	-	-
		64,637	63,392	-	-
		997	1,005	-	-
		936,077	922,044	-	-
<b>Total liabilities</b>					
		<b>1,078,471</b>	<b>1,040,116</b>	<b>423,840</b>	<b>411,335</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>					
		<b>695,832</b>	<b>683,925</b>	<b>(92,053)</b>	<b>(81,140)</b>
Represented by:					
<b>UNITHOLDERS' FUNDS</b>					
	(7)	<b>695,832</b>	<b>683,925</b>	<b>(92,053)</b>	<b>(81,140)</b>

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**Notes**

- (1) Includes RMB194.7 million (S\$38.4 million) cash security deposits received from the master leases and cash deposits of RMB474.7 million (S\$93.6 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 2020, the derivative instruments entered into were:
- Plain vanilla interest rate swaps (to hedge the interest rate of the Offshore Facility);
  - Cross currency swaps (to hedge the interest rate and foreign exchange rate of the Offshore Facility); and
  - 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. In July 2020, RMB128.0m (S\$25.2m) of trade receivables had been collected from master lessees. All receivables under master lease agreements outstanding as at 30 June 2020 have been collected.
- (4) 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”). The increase in carrying amount of investment properties was mainly due to strengthening of RMB against SGD. In view of the COVID-19 situation, the Board and management expect variations in the asset valuation of the Properties.
- (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	
	30.6.20	31.12.19	30.6.20	31.12.19
	S\$’000	S\$’000	S\$’000	S\$’000
<b>Secured borrowings</b>				
Amount repayable in one year or less	88,645	68,026	12,400	15,690
Less: Unamortised debt issuance costs	(140)	(137)	-	-
	88,505	67,889	12,400	15,690
Amount repayable after one year	604,931	599,810	-	-
Less: Unamortised debt issuance costs	(10,657)	(13,185)	-	-
	594,274	586,625	-	-
<b>Total borrowings</b>	<b>682,779</b>	<b>654,514</b>	<b>12,400</b>	<b>15,690</b>

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**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\$200.6 million) and 10-year RMB77.0 million (S\$15.2 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 6 months ended 30 June 2020 were 6.3% and 6.4% respectively. The blended running interest rate for the quarter and 6 months ended 30 June 2020 was 5.9%.

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(b) Offshore Facility

ECW has 3-year S\$305.6 million and US\$86.8 million (S\$120.9 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 6 months ended 30 June 2020 were 5.3% and 5.2% respectively. The blended all-in running interest rate for the quarter and 6 months ended 30 June 2020 was 4.0%. As at 30 June 2020, S\$300.0 million and US\$86.8 (S\$120.9 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 30 June 2020, ECW had drawn down a total of S\$83.3 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 RMB474.7 million (S\$93.6 million). The interest rates ranged from 1.3% to 2.6% per annum for the quarter ended 30 June 2020.

The blended all-in interest rate of the aggregate facilities for the quarter and 6 months ended 30 June 2020 were 5.2% and 5.1% per annum respectively. The blended all-in running interest rate for the quarter and 6 months ended 30 June 2020 was 4.3% per annum. At the end of the period, the Aggregate Leverage for the Group was 39.1% (31 December 2019: 38.7%) and the interest coverage ratio<sup>1</sup> was 2.45 times (31 December 2019: 2.76 times).

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<sup>1</sup> 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.



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**1(c) Cash Flows Statement**

		Group			
		1.4.20 to 30.6.20	1.4.19 to 30.6.19	1.1.20 to 30.6.20	1.1.19 to 30.6.19
		S\$'000	S\$'000	S\$'000	S\$'000
	Notes				
<b>Cash Flows from Operating Activities</b>					
Total return for the financial period					
		6,101	10,215	9,440	18,221
Adjustments for:					
-	Income tax	4,614	3,949	8,424	8,264
-	Interest income	(364)	(436)	(709)	(865)
-	Finance cost	9,751	6,986	19,487	13,953
-	Effect of straight lining of step-up rental	956	691	1,889	1,305
-	Effect of security deposits accretion	(757)	(675)	(1,553)	(1,347)
-	Fair value loss/(gain) on derivative instruments	5,492	125	4,650	(122)
-	Manager's base fees payable in units	652	1,231	1,167	2,423
-	Exchange (gain)/loss	(1,630)	(1,341)	2,341	(397)
<b>Operating cash flow before working capital change</b>		<b>24,815</b>	<b>20,745</b>	<b>45,136</b>	<b>41,435</b>
<b>Changes in working capital:</b>					
Trade and other receivables					
		(1,414)	(7,566)	(19,348)	(8,964)
Trade and other payables					
		684	2,379	(767)	(2,000)
<b>Cash generated from operating activities</b>		<b>24,085</b>	<b>15,558</b>	<b>25,021</b>	<b>30,471</b>
Interest received					
		364	436	709	865
Income tax paid (net)					
		(8,723)	(8,755)	(10,321)	(10,531)
<b>Net cash generated from operating activities</b>		<b>15,726</b>	<b>7,239</b>	<b>15,409</b>	<b>20,805</b>
<b>Cash Flows from Investing Activities</b>					
Additions to investment properties					
		-	(634)	-	(706)
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(634)</b>	<b>-</b>	<b>(706)</b>
<b>Cash Flows from Financing Activities</b>					
Repayment of bank borrowings					
	(1)	-	-	(4,507)	(50,559)
Distribution to Unitholders					
		(9,298)	(11,921)	(21,396)	(24,356)
Proceeds from bank borrowings					
	(1)	4,000	13,500	22,299	65,290
Interest paid					
		(6,676)	(5,143)	(14,292)	(10,315)
SBLC commission paid					
		(64)	(54)	(109)	(181)
Settlement of derivative financial instruments (net)					
		-	15	-	15
Placements of deposits for SBLC facilities					
	(1)	(4,534)	(15,118)	(22,833)	(17,953)
Increase in interest reserves					
		-	(4)	-	(9)
<b>Net cash used in financing activities</b>		<b>(16,572)</b>	<b>(18,725)</b>	<b>(40,838)</b>	<b>(38,068)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(846)</b>	<b>(12,120)</b>	<b>(25,429)</b>	<b>(17,969)</b>
<b>Cash and cash equivalents at beginning of financial period</b>		<b>11,170</b>	<b>39,893</b>	<b>34,697</b>	<b>43,698</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>(106)</b>	<b>(2,127)</b>	<b>950</b>	<b>(83)</b>
<b>Cash and cash equivalents at the end of financial period</b>		<b>10,218</b>	<b>25,646</b>	<b>10,218</b>	<b>25,646</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>30.6.20</b>	<b>30.6.19</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and cash equivalents (as per Balance Sheet)	119,337	141,997
Less:		
- Interest reserves <sup>#</sup>	(15,565)	(9,076)
- Cash collateral for SBLC facilities	(93,554)	(107,275)
Cash and cash equivalents per consolidated statement of cash flows	10,218	25,646

<sup>#</sup> 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 SECOND QUARTER ENDED 30 JUNE 2020**

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

	Group		Group	
	1.4.20 to 30.6.20	1.4.19 to 30.6.19	1.1.20 to 30.6.20	1.1.19 to 30.6.19
	S\$'000	S\$'000	S\$'000	S\$'000
<b>OPERATIONS</b>				
Balance as at beginning of the period	853,598	809,833	850,259	801,827
Total return after tax	6,101	10,215	9,440	18,221
Distributions to unitholders	-	(11,921)	-	(11,921)
<b>Balance as at end of the period</b>	<b>859,699</b>	<b>808,127</b>	<b>859,699</b>	<b>808,127</b>
<b>GENERAL RESERVES</b>				
Balance as at beginning of the period	15,709	10,841	15,709	10,841
<b>Balance as at end of the period</b>	<b>15,709</b>	<b>10,841</b>	<b>15,709</b>	<b>10,841</b>
<b>UNITHOLDERS' CONTRIBUTION</b>				
Balance as at beginning of the period	(60,797)	(31,036)	(49,974)	(20,137)
Movement during the period				
- Manager's base fees paid in units	515	-	1,790	1,243
- Manager's performance fees paid in units	-	-	-	293
- Distributions to unitholders	(9,298)	-	(21,396)	(12,435)
<b>Balance as at end of the period</b>	<b>(69,580)</b>	<b>(31,036)</b>	<b>(69,580)</b>	<b>(31,036)</b>
<b>FOREIGN CURRENCY TRANSLATION RESERVE</b>				
Balance as at beginning of the period	(87,203)	(87,603)	(132,069)	(103,979)
Translation differences relating to financial statements of foreign subsidiaries	(22,793)	(24,273)	22,073	(7,897)
<b>Balance as at end of the period</b>	<b>(109,996)</b>	<b>(111,876)</b>	<b>(109,996)</b>	<b>(111,876)</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>695,832</b>	<b>676,056</b>	<b>695,832</b>	<b>676,056</b>

	ECW		ECW	
	1.4.20 to 30.6.20	1.4.19 to 30.6.19	1.1.20 to 30.6.20	1.1.19 to 30.6.19
	S\$'000	S\$'000	S\$'000	S\$'000
<b>OPERATIONS</b>				
Balance as at beginning of the period	(29,981)	(5,688)	(31,166)	(11,746)
Total return after tax	7,508	(4,770)	8,693	1,288
Distributions to unitholders	-	(11,921)	-	(11,921)
<b>Balance as at end of the period</b>	<b>(22,473)</b>	<b>(22,379)</b>	<b>(22,473)</b>	<b>(22,379)</b>
<b>UNITHOLDERS' CONTRIBUTION</b>				
Balance as at beginning of the period	(60,797)	(31,036)	(49,974)	(20,137)
Movement during the period				
- Manager's base fees paid in units	515	-	1,790	1,243
- Manager's performance fees paid in units	-	-	-	293
- Distributions to unitholders	(9,298)	-	(21,396)	(12,435)
<b>Balance as at end of the period</b>	<b>(69,580)</b>	<b>(31,036)</b>	<b>(69,580)</b>	<b>(31,036)</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>(92,053)</b>	<b>(53,415)</b>	<b>(92,053)</b>	<b>(53,415)</b>

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

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

<b>Group and ECW</b>				
	<b>1.4.20 to 30.6.20</b>	<b>1.4.19 to 30.6.19</b>	<b>1.1.20 to 30.6.20</b>	<b>1.1.19 to 30.6.19</b>
Note	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>
Balance as at beginning of period	802,895,660	794,228,726	801,206,236	792,014,317
- Manager's base fees paid in units	1,047,931	-	2,737,355	1,791,595
- Manager's performance fees paid in units	-	-	-	422,814
<b>Issued units as at the end of period</b>	<b>803,943,591</b>	<b>794,228,726</b>	<b>803,943,591</b>	<b>794,228,726</b>
Units to be issued				
- Manager's base fees payable in units for 1.4.20 to 30.6.20	939,720	-	939,720	-
- 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 31.3.19	-	1,566,602	-	1,566,602
<b>Total issued and to be issued units</b>	<b>804,883,311</b>	<b>797,374,768</b>	<b>804,883,311</b>	<b>797,374,768</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 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 agreed to receive 50% of its base fee in the form of units for the period 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.

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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

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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 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 SECOND QUARTER ENDED 30 JUNE 2020**

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

Note	Group			
	1.4.20 to 30.6.20	1.4.19 to 30.6.19	1.1.20 to 30.6.20	1.1.19 to 30.6.19
Weighted average number of units as at end of period	802,918,691	794,228,726	802,071,746	793,164,342
Earnings per unit ("EPU") - Basic and Diluted (cents)	(1) 0.76	1.29	1.18	2.30
Number of units entitled to distribution	803,943,591	795,795,328	803,943,591	795,795,328
Distribution per unit ("DPU") (cents)	(2) 1.386	1.547	2.544	3.048
Distribution per unit ("DPU") (cents) - Annualised	5.574	6.205	5.116	6.147

**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 1.386 cents per unit for period from 1 April 2020 to 30 June 2020 will be paid on or around 28 September 2020.

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

	As at 30.6.20	As at 31.12.19
NAV / NTA of Group - attributable to Unitholders (S\$'000)	695,832	683,925
NAV / NTA of REIT (S\$'000)	(92,053)	(81,140)
Number of units outstanding as at end of each period ('000)	803,944	801,206
<b>Group's net asset value per unit (S\$)</b>	<b>0.87</b>	<b>0.85</b>
<b>REIT's net asset value per unit (S\$)</b>	<b>(0.11)</b>	<b>(0.10)</b>

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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

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**8. Review of the Performance**

**(i) Review of performance for the quarter ended 30 June 2020**

Gross revenue of S\$28.2 million was S\$4.5 million or 18.8% higher compared to 2Q2019. Net property income (“NPI”) of S\$25.8 million was S\$4.7 million or 22.1% higher compared to 2Q2019. In RMB terms, the gross revenue and NPI were 19.0% and 22.3% higher respectively compared to 2Q2019. After straight-line, security deposit accretion and other relevant distribution adjustments, the gross revenue and NPI in RMB terms were 19.8% and 20.7% higher respectively compared to 2Q2019, mainly due to contribution from Fuzhou E-commerce which was acquired in August 2019 and organic rental escalations.

Finance costs of S\$9.8 million were S\$2.8 million or 39.6% higher compared to 2Q2019. This was mainly due to higher term loan quantum in this quarter compared to same quarter last year.

Distribution to Unitholders was S\$11.1 million, representing S\$1.2 million or 9.5% decrease compared to 2Q19 mainly due to retention of 10% of distributable income.

**(ii) Review of performance for the 6 months ended 30 June 2020**

Gross revenue of S\$51.7 million was S\$4.1 million or 8.7% higher compared to 1H2019. Net property income (“NPI”) of S\$47.0 million was S\$4.6 million or 10.9% higher compared to 1H2019. In RMB terms, the gross revenue and NPI were 9.5% and 11.8% higher respectively compared to 1H2019. After straight-line, security deposit accretion and other relevant distribution adjustments, the gross revenue and NPI in RMB terms were 10.4% and 11.1% higher respectively compared to 1H2019, mainly due to contribution from Fuzhou E-commerce which was acquired in August 2019 and organic rental escalations. The increases were offset by an 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\$19.5 million were S\$5.5 million or 39.7% higher compared to 1H2019. This was mainly due to higher term loan quantum compared to same period last year.

Distribution to Unitholders was S\$20.4 million, representing S\$3.8 million or 15.7% decrease compared to 1H2019 mainly due to rental rebates given in 1Q2020 as announced on 3 April 2020.

**9. Variance between the forecast**

ECW did not disclose any financial forecast to the market.

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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

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**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**

According to the China’s National Bureau of Statistics<sup>2</sup>, China’s economy grew by 3.2% in the second quarter of 2020, following a 6.8% decline in the first three months of the year. For the first half of 2020, China’s Gross Domestic Product (“GDP”) contracted by 1.6% year-on-year. On a quarter-on-quarter comparison, GDP grew by 11.5%.

In the first half of 2020, retail sales of consumer goods declined 11.4% year-on-year to 17.23 trillion yuan. However, online retail sales grew 7.3% year-on-year for the first half of 2020 as consumers switched to e-commerce while staying indoors<sup>2,3</sup>.

Since the start of the year, the Chinese government has rolled out a series of stimulus measures, including more fiscal spending, tax relief and cuts in lending rates as well as banks’ reserve requirements to spur consumption and economic growth<sup>4</sup>. While China’s economy has expanded in 2Q2020, the Chinese Government had cautioned that the economy is not out of the woods as volatilities remains given the fluidity of the COVID-19 situation globally and the resultant significant macroeconomic uncertainties<sup>2,5</sup>.

The Manager expects the long-term fundamentals for the logistics sector in China continue to be healthy, while short term volatilities are likely given the fluidity of the COVID-19 situation and the resultant significant macroeconomic uncertainties globally, barring any further unforeseen material deterioration of the COVID-19 impact in China.

As at 30 June 2020, ECW’s portfolio of eight assets has a weighted average lease of 3.6 years by gross rental income and portfolio occupancy rate of 98.7%. One of ECW’s assets, Wuhan Meiluote, is located in the epi-center of the COVID-19 outbreak, contributed about 1.8% of gross revenue for ECW for 2Q2020. On 27 February 2020, the Manager announced in ECW’s fourth quarter and full year financial results that it has received notification from a tenant for the non-renewal of 24,929 sqm (representing about 51.2% of lettable space) in Wuhan Meiluote in 2Q2020. The Manager is working closely with the Property Manager in China to backfill the space. However, the Manager anticipates leasing activity to remain muted as tenants undertake a more cautious approach in their business plans.

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<sup>2</sup> National Bureau of Statistics, China: [http://www.stats.gov.cn/english/PressRelease/202004/t20200417\\_1739339.html](http://www.stats.gov.cn/english/PressRelease/202004/t20200417_1739339.html)

<sup>3</sup> Nikkei News: <https://asia.nikkei.com/Business/Retail/Chinese-shoppers-push-online-retail-to-new-heights>

<sup>4</sup> Channelnewsasia: <https://www.channelnewsasia.com/news/asia/china-gdp-economy-covid-19-second-quarter-12936986>

<sup>5</sup> Xinhuanet: [http://www.xinhuanet.com/english/2020-07/16/c\\_139217198.htm](http://www.xinhuanet.com/english/2020-07/16/c_139217198.htm)



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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

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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 2020 to 30 June 2020

Distribution types: Tax-exempt distribution

Distribution rate: 1.386 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 April 2020 to 30 June 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 1.547 cents per unit was declared for the period from 1 April 2019 to 30 June 2019.

**(c) Date Payable (est.)** 28 September 2020

**(d) Record Date** 14 September 2020

**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 2020 to 30 June 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 SECOND QUARTER ENDED 30 JUNE 2020**

**14. Segmental results**

	Group							
	1.4.20 to 30.6.20		1.4.19 to 30.6.19		1.1.20 to 30.6.20		1.1.19 to 30.6.19	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<b>Gross revenue</b>								
- Port logistics	11,110	39.4	10,929	46.0	20,169	39.0	21,899	46.1
- Specialised logistics	3,614	12.8	3,621	15.3	6,978	13.5	7,261	15.3
- E-commerce logistics	13,481	47.8	9,184	38.7	24,592	47.5	18,431	38.6
	<b>28,205</b>	<b>100.0</b>	<b>23,734</b>	<b>100.0</b>	<b>51,739</b>	<b>100.0</b>	<b>47,591</b>	<b>100.0</b>
<b>Net property income</b>								
- Port logistics	10,254	39.7	10,124	47.9	18,648	39.7	20,252	47.8
- Specialised logistics	3,260	12.6	3,223	15.2	6,287	13.4	6,432	15.2
- E-commerce logistics	12,321	47.7	7,810	36.9	22,038	46.9	15,658	37.0
	<b>25,835</b>	<b>100.0</b>	<b>21,157</b>	<b>100.0</b>	<b>46,973</b>	<b>100.0</b>	<b>42,342</b>	<b>100.0</b>

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 30.6.20	1.1.19 to 30.6.19	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

Please refer to Item 8 for review of actual performance.

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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

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**17. Breakdown of total distribution for the financial period ended 30 June 2020**

In respect of the period:

1 January 2019 to 31 March 2019

1 April 2019 to 30 June 2019

1 January 2020 to 31 March 2020

1 April 2020 to 30 June 2020

*(Payable on or around 28 September 2020)*

<b>Group</b>	
<b>1.1.20 to 30.6.20</b>	<b>1.1.19 to 30.6.19</b>
<b>S\$'000</b>	<b>S\$'000</b>
-	11,923
-	12,314
9,298	-
11,142	-
<b>20,440</b>	<b>24,237</b>

**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 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)(7).

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. For 2Q2020, 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.

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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

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**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 2020, 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

**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  
7 August 2020