
**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 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).

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Summary Results of ECW

		Group		
		1.1.20 to 31.3.20	1.1.19 to 31.3.19	Change
Notes		S\$'000	S\$'000	%
	(1)	23,534	23,857	(1.4)
Gross revenue				
	(1)	21,138	21,185	(0.2)
Net property income				
		9,298	11,923	(22.0)
Distribution to Unitholders				
	(2)	1.158	1.501	(22.9)
Distribution per unit ("DPU") (cents)				
Annualised distribution yield (%)				
- Based on share price of S\$0.560 per unit as at 31 March 2020		8.32	8.01	3.8

Notes:

- (1) The decrease in gross revenue and net property income was mainly due to one-off rental rebates given to tenants as announced on 3 April 2020 in efforts to mitigate the adverse impact of the current Corona Virus Disease ("COVID-19") situation on tenants' operations, offset by 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\$23.7 million and S\$21.6 million respectively in 1Q20 (1Q19: 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. In the interest of the Unitholders, ECW has been making distribution on a quarterly basis since its first distribution on 28 November 2016. For 1Q20, the Manager has resolved to distribute 95% 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 January 2020 to 31 March 2020 will be made on or around 26 June 2020.

Distribution and Record Date

Distribution	1 January 2020 to 31 March 2020
Distribution type	Capital distribution
Distribution rate	1.158 cents
Record date	15 June 2020
Payment date (est)	26 June 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

		Group		
		1.1.20 to 31.3.20	1.1.19 to 31.3.19	Change
		S\$'000	S\$'000	%
Statement of Total Return				
Gross revenue	Notes (1)	23,534	23,857	(1.4)
Property expenses	(2)	(2,396)	(2,672)	(10.3)
Net property income		21,138	21,185	(0.2)
Finance income		345	429	(19.6)
Finance costs		(9,736)	(6,967)	39.7
Manager's management fees	(3)			
- Base fees		(1,031)	(1,192)	(13.5)
- Performance fees		-	-	N/M
Trustee's fees		(82)	(72)	13.9
Foreign exchange loss	(4)	(3,971)	(941)	>100
Other trust expenses	(5)	(356)	(368)	(3.3)
Net income		6,307	12,074	(47.8)
Net change in fair value of financial derivatives	(6)	842	247	>100
Total return for the financial period before income tax		7,149	12,321	(42.0)
Income tax expenses		(3,810)	(4,315)	(11.7)
Total return for the financial period after income tax before distribution		3,339	8,006	(58.3)
Distribution statement				
Total return for the financial period after income tax before distribution		3,339	8,006	(58.3)
Distribution adjustments	(7)	6,449	3,917	64.6
Total amount available for distribution		9,788	11,923	(17.9)
Distribution to Unitholders		9,298	11,923	(22.0)

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 March 2020.

- (4) Foreign exchange loss arises mainly from revaluation of loans in foreign currency.

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- (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 was put in place by the Manager to hedge interest rate and exchange rate risks.
- (7) Net effect of non (taxable income) / tax deductible expenses and other adjustments comprises:

	Group		
	1.1.20 to 31.3.20	1.1.19 to 31.3.19	Change
	S\$'000	S\$'000	%
Straight-lining of step-up rental	933	614	52.0
Security deposit accretion	(103)	33	N/M
Manager's base fees paid/payable in units	515	1,192	(56.8)
Trustee's fees	82	72	13.9
Deferred tax charge/(credit)	233	(153)	N/M
Fair value gain on financial derivatives	(842)	(247)	>100
Amortisation of upfront debt issuance costs	1,367	1,012	35.1
Foreign exchange loss, net (unrealised)	3,971	944	>100
Provision of real estate tax	293	444	(34.0)
Others	-	6	N/M
Total distribution adjustments	6,449	3,917	64.6

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1(b)(i) Balance Sheet

		Group		ECW	
		Actual		Actual	
		31.3.20	31.12.19	31.3.20	31.12.19
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
	(1)	117,737	119,469	102	305
	(2)	25	110	25	110
	(3)	55,691	36,876	1,306	1,214
		-	-	291,706	288,978
		173,453	156,455	293,139	290,607
Non-current assets					
	(4)	1,630,773	1,567,586	-	-
		-	-	39,588	39,588
		1,630,773	1,567,586	39,588	39,588
		1,804,226	1,724,041	332,727	330,195
LIABILITIES					
Current liabilities					
		32,266	34,139	1,733	1,874
		-	-	407,872	393,700
	(5)	84,609	67,889	13,900	15,690
	(2)	3,372	4,301	-	71
		14,219	11,743	-	-
		134,466	118,072	423,505	411,335
Non-current liabilities					
	(5)	599,224	586,625	-	-
	(6)	282,257	271,022	-	-
		65,941	63,392	-	-
		1,031	1,005	-	-
		948,453	922,044	-	-
		1,082,919	1,040,116	423,505	411,335
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS					
		721,307	683,925	(90,778)	(81,140)
Represented by:					
UNITHOLDERS' FUNDS					
	(7)	721,307	683,925	(90,778)	(81,140)

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Notes

- (1) Includes RMB194.7 million (S\$39.1 million) cash security deposits received from the master leases and cash deposits of RMB451.9 million (S\$90.8 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 March 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 is mainly due to delays in receipt of rental income from tenants as a result of the COVID-19 situation in China. There are no long outstanding trade receivables over 180 days.
- (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 is mainly due to strengthening of RMB against SGD.
- (5) Consists of revolving credit facilities and credit facilities drawn down in 3Q2019.
- 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	
	31.3.20	31.12.19	31.3.20	31.12.19
	S\$’000	S\$’000	S\$’000	S\$’000
Secured borrowings				
Amount repayable in one year or less	84,752	68,026	13,900	15,690
Less: Unamortised debt issuance costs	(143)	(137)	-	-
	84,609	67,889	13,900	15,690
Amount repayable after one year	611,307	599,810	-	-
Less: Unamortised debt issuance costs	(12,083)	(13,185)	-	-
	599,224	586,625	-	-
Total borrowings	683,833	654,514	13,900	15,690

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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\$204.6 million) and 10-year RMB77.0 million (S\$15.5 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 ended 31 March 2020 was 6.3%. The blended running interest rate for the quarter ended 31 March 2020 was 5.8%.

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(b) Offshore Facility

ECW has 3-year S\$305.6 million and US\$86.8 million (S\$123.6 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 ended 31 March 2020 was 5.1%. The blended all-in running interest rate for the quarter ended 31 March 2020 was 4.0%. As at 31 March 2020, S\$300.0 million and US\$86.8 (S\$123.6 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 an 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 March 2020, ECW had drawn down a total of S\$79.3 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 RMB451.9 million (S\$90.8 million). The interest rates ranged from 1.5% to 2.6% per annum for the quarter ended 31 March 2020.

The blended all-in interest rate of the aggregate facilities for the quarter ended 31 March 2020 was 5.1% per annum. The blended all-in running interest rate for the quarter ended 31 March 2020 was 4.3% per annum. The Aggregate Leverage for the Group as at the end of the period was 38.6%.

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1(c) Cash Flows Statement

		Group	
		1.1.20 to 31.3.20	1.1.19 to 31.3.19
		S\$'000	S\$'000
	Notes		
Cash Flows from Operating Activities			
Total return for the financial period		3,339	8,006
Adjustments for:			
- Income tax		3,810	4,315
- Interest income		(345)	(429)
- Finance cost		9,736	6,967
- Effect of straight lining of step-up rental		933	614
- Effect of security deposits accretion		(796)	(672)
- Fair value gain on derivative instruments		(842)	(247)
- Manager's base fees payable in units		515	1,192
- Exchange loss		3,971	944
Operating cash flow before working capital change		20,321	20,690
Changes in working capital:			
Trade and other receivables		(17,934)	(1,398)
Trade and other payables		(1,451)	(4,380)
Cash generated from operating activities		936	14,912
Interest received		345	429
Income tax paid (net)		(1,598)	(1,776)
Net cash (used in)/generated from operating activities	(1)	(317)	13,565
Cash Flows from Investing Activities			
Additions to investment properties		-	(72)
Net cash used in investing activities		-	(72)
Cash Flows from Financing Activities			
Repayment of bank borrowings	(2)	(4,507)	(50,559)
Distribution to Unitholders		(12,098)	(12,435)
Proceeds from bank borrowings	(2)	18,299	51,790
Interest paid		(7,616)	(5,172)
SBLC commission paid		(45)	(127)
Placements of deposits for SBLC facilities	(2)	(18,299)	(2,834)
Increase in interest reserves		-	(5)
Net cash used in financing activities		(24,266)	(19,342)
Net decrease in cash and cash equivalents		(24,583)	(5,849)
Cash and cash equivalents at beginning of financial period		34,697	43,698
Effects of exchange rate changes on cash and cash equivalents		1,056	2,044
Cash and cash equivalents at the end of financial period	(3)	11,170	39,893

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Notes

- (1) The negative operating cash flow was due to delays in receipt of rental income from tenants as a result of the COVID-19 situation in China.
- (2) Refer to Item 1(b)(ii) Aggregate Amount of Borrowings and Debt Securities for details.
- (3) For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	31.3.20	31.3.19
	S\$'000	S\$'000
Cash and cash equivalents (as per Balance Sheet)	117,737	143,432
Less:		
- Interest reserves [#]	(15,737)	(9,197)
- Cash collateral for SBLC facilities	(90,830)	(94,342)
Cash and cash equivalents per consolidated statement of cash flows	11,170	39,893

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

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

	Group	
	1.1.20 to 31.3.20 S\$'000	1.1.19 to 31.3.19 S\$'000
	OPERATIONS	
Balance as at beginning of the period	850,259	801,827
Total return after tax	3,339	8,006
Balance as at end of the period	853,598	809,833
GENERAL RESERVES		
Balance as at beginning of the period	15,709	10,841
Balance as at end of the period	15,709	10,841
UNITHOLDERS' CONTRIBUTION		
Balance as at beginning of the period	(49,974)	(20,137)
Movement during the period		
- Manager's base fees paid in units	1,275	1,243
- Manager's performance fees paid in units	-	293
- Distributions to unitholders	(12,098)	(12,435)
Balance as at end of the period	(60,797)	(31,036)
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance as at beginning of the period	(132,069)	(103,979)
Translation differences relating to financial statements of foreign subsidiaries	44,866	16,376
Balance as at end of the period	(87,203)	(87,603)
Total Unitholders' funds as at end of the period	721,307	702,035

	ECW	
	1.1.20 to 31.3.20 S\$'000	1.1.19 to 31.3.19 S\$'000
	OPERATIONS	
Balance as at beginning of the period	(31,166)	(11,746)
Total return after tax	1,185	6,058
Balance as at end of the period	(29,981)	(5,688)
UNITHOLDERS' CONTRIBUTION		
Balance as at beginning of the period	(49,974)	(20,137)
Movement during the period		
- Manager's base fees paid in units	1,275	1,243
- Manager's performance fees paid in units	-	293
- Distributions to unitholders	(12,098)	(12,435)
Balance as at end of the period	(60,797)	(31,036)
Total Unitholders' funds as at end of the period	(90,778)	(36,724)

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

		Group and ECW	
		1.1.20 to 31.3.20	1.1.19 to 31.3.19
		Units	Units
Balance as at beginning of period	Note	801,206,236	792,014,317
- Manager's base fees paid in units		1,689,424	1,791,595
- Manager's performance fees paid in units		-	422,814
Issued units as at the end of period		802,895,660	794,228,726
Units to be issued	(1)		
- Manager's base fees payable in units for 1.1.20 to 31.3.20		1,047,931	-
- Manager's base fees payable in units for 1.1.19 to 31.3.19		-	1,566,602
Total issued and to be issued units		803,943,591	795,795,328

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 50% of its base fee in the form of units for the period from 1 January 2020 to 31 March 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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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.

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

		Group	
Note	1.1.20 to 31.3.20	1.1.19 to 31.3.19	
Weighted average number of units as at end of period Earnings per unit ("EPU") - Basic and Diluted (cents)	801,224,801 0.42	792,088,131 1.01	(1)
Number of units entitled to distribution Distribution per unit ("DPU") (cents) Distribution per unit ("DPU") (cents) - Annualised	802,895,660 1.158 4.657	794,228,726 1.501 6.087	(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 1.158 cents per unit for period from 1 January 2020 to 31 March 2020 will be paid on or around 26 June 2020.

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

	As at 31.3.20	As at 31.12.19
NAV / NTA of Group - attributable to Unitholders (S\$'000)	721,307	683,925
NAV / NTA of REIT (S\$'000)	(90,778)	(81,140)
Number of units outstanding as at end of each period ('000)	802,896	801,206
Group's net asset value per unit (S\$)	0.90	0.85
REIT's net asset value per unit (S\$)	(0.11)	(0.10)

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8. Review of the Performance

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

Gross revenue of S\$23.5 million was S\$0.3 million or 1.4% lower compared to 1Q19. Net property income (“NPI”) of S\$21.1 million was S\$47k or 0.2% lower compared to 1Q19. In RMB terms, the gross revenue and NPI were 0.1% and 1.2% higher respectively compared to 1Q19. After straight-line, security deposit accretion and other relevant distribution adjustments, the gross revenue and NPI in RMB terms were 0.9% and 1.4% higher respectively compared to 1Q19, due to contribution from Fuzhou E-commerce which was acquired in August 2019 and organic rental escalations, offset by one-off rental rebates 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\$9.7 million were S\$2.8 million or 39.7% higher compared to 1Q19. This was mainly due to higher term loan quantum in this quarter compared to same quarter last year.

Distribution to Unitholders was S\$9.3 million, representing S\$2.6 million or 22.0% decrease compared to 1Q19 mainly due to rental rebates given in 1Q20 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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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

The outbreak of COVID-19 in China has significantly impacted its economy in 1Q2020. To contain the spread of COVID-19, the Chinese government implemented large-scale shutdowns and quarantines which put a strain on businesses and operations country-wide.

According to China’s National Bureau of Statistics, the Gross Domestic Product (“GDP”) contracted by 6.8% in the first quarter of 2020 compared to a year ago¹, its first economic contraction since 1992 when the official release of the data started. Compared to 4Q2019, GDP declined 9.8%. While majority of China’s businesses have resumed operations in March 2020 after shutdowns, global demand remains lacklustre as countries worldwide continue to battle the COVID-19 situation².

Total retail sales in China declined 19.0% year-on-year to RMB 7,858 billion in 1Q2020. The national online retail sales amounted to RMB 2.2 trillion, down 0.8% year-on-year. However, online purchase of physical goods increased 5.9% year-on-year to RMB 1,853.6 billion in March 2020, a 2.9% increase from the online purchase of physical goods in January to February 2020^{3,4}.

As at 31 March 2020, ECW has a portfolio weighted average lease of 3.8 years by gross rental income and portfolio occupancy rate of 99.1%.

On 3 April 2020, the Manager updated the investing community on the impact of COVID-19 on ECW’s properties in China. Rental rebates (the “Rental Rebates”) amounting to approximately RMB 23.7 million were provided to tenants within its portfolio in efforts to mitigate the adverse impact of COVID-19 on tenants’ operations in 1Q 2020. The Rental Rebates have been recognized in ECW’s 1QFY2020 financial results. The Manager expects the Rental Rebates to be one-off in nature, barring any further unforeseen material deterioration of the COVID-19 impact in China.

While the long-term fundamentals for the logistics sector in China continue to be healthy, short term volatilities are likely given the fluidity of the COVID-19 situation globally and the resultant significant macroeconomic uncertainties. According to Occupier Flash Survey in Mainland China by CBRE, 71% of respondents expect business environment in China to improve or remain stable in 2H 2020. 82% of respondents will delay their leasing decisions and renewal plans as a result of the COVID-19 situation⁵. The Manager will continue to work closely with the Property Manager in China to optimize its portfolio performance.

¹ National Bureau of Statistics, China: http://www.stats.gov.cn/english/PressRelease/202004/t20200417_1739339.html

² Channelnewsasia: China’s Q1 GDP posts first decline on record as COVID-19 shuts down economy
<https://www.channelnewsasia.com/news/business/china-gdp-covid-19-economy-decline-coronavirus-12651092>

³ National Bureau of Statistics, China http://www.stats.gov.cn/tjsj/zxfb/202004/t20200417_1739327.html

⁴ National Bureau of Statistics, China http://www.stats.gov.cn/tjsj/zxfb/202004/t20200417_1739327.html

⁵ CBRE Research: <https://www.cbre.com/research-and-reports/Occupier-Flash-Survey--Mainland-China>

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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 January 2020 to 31 March 2020

Distribution types: Capital distribution

Distribution rate: 1.158 cents per unit

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 95% of the distributable income for the period from 1 January 2020 to 31 March 2020.

(b) Corresponding period of the preceding financial period

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

Yes. A tax-exempt distribution of 1.501 cents per unit was declared for the period from 1 January 2019 to 31 March 2019.

(c) Date Payable (est.) 26 June 2020

(d) Record Date 15 June 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 January 2020 to 31 March 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.

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14. Segmental results

	Group			
	1.1.20 to 31.3.20		1.1.19 to 31.3.19	
	S\$'000	%	S\$'000	%
Gross revenue				
- Port logistics	9,059	38.5	10,970	45.9
- Specialised logistics	3,364	14.3	3,640	15.3
- E-commerce logistics	11,111	47.2	9,247	38.8
	23,534	100.0	23,857	100.0
Net property income				
- Port logistics	8,394	39.7	10,128	47.8
- Specialised logistics	3,027	14.3	3,209	15.1
- E-commerce logistics	9,717	46.0	7,848	37.1
	21,138	100.0	21,185	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 31.3.20	1.1.19 to 31.3.19	Change
	S\$'000	S\$'000	%
<u>First half of the year</u>			
Gross revenue	23,534	23,857	(1.4)
Net property income	21,138	21,185	(0.2)

Please refer to Item 8 for review of actual performance.

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17. Breakdown of total distribution for the financial period ended 31 March 2020

In respect of the period:
 1 January 2019 to 31 March 2019
 1 January 2020 to 31 March 2020
(Payable on or around 26 June 2020)

Group	
1.1.20 to 31.3.20	1.1.19 to 31.3.19
S\$'000	S\$'000
-	11,923
9,298	-
9,298	11,923

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 31 March 2020:

- (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)(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. 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.

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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 31 March 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
12 May 2020