



**EC WORLD REAL ESTATE INVESTMENT TRUST**  
(a real estate investment trust constituted on 5 August 2015 under the laws of  
the Republic of Singapore)

**RESPONSES TO SGX-ST'S QUERIES ON EC WORLD REIT'S UNAUDITED FINANCIAL  
STATEMENTS FOR THE 4TH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2019**

EC World REIT Asset Management Pte Ltd, as the Manager (the “**Manager**”) of EC World Real Estate Investment Trust (“**EC World REIT**”), refers to the queries raised by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in its email dated 5 March 2020 in relation to EC World REIT’s Unaudited Financial Statements for the 4<sup>th</sup> Quarter and Full Year Ended 31 December 2019. The Manager wishes to set out its responses as follows:

It is disclosed on page 5 of the announced financial results:-

Line Item	Group		Company	
	Actual		Actual	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current liabilities</b> Borrowings	67,889	474,705	15,690	280,746
<b>Non-current liabilities</b> Borrowings	586,625	-	-	-
<b>Current Liabilities</b> Trade and other payables	34,139	23,354	1,874	3,803
<b>Non-Current Liabilities</b> Trade and other payables	63,392	56,917	-	-

- a) **Please explain the reason(s) for the material variance in the current and non-current “borrowings” financial statement line items and the purpose/usage of these borrowings.**

**Response:**

The material variance in the current and non-current “borrowings” financial statement line items is primarily due to the re-classification of borrowings under the Singapore Financial Reporting Standards as a result of the refinancing exercise which EC World REIT undertook and announced in June 2019, July 2019 and August 2019. There is no impact to EC World REIT’s operations and financial position as a result of such accounting re-classification.

Further details are being set out below:

As at 31 December 2018, the Group’s S\$474.7 million of borrowings comprised S\$81.9 million of revolving credit facilities and S\$392.8 million of term loan facilities which were due in July 2019. As these borrowings were payable within one year (as assessed at balance sheet date, which in this case, 31 December 2018), they were classified as “Current Liabilities” in accordance to Singapore Financial Reporting Standard 1: Presentation of Financial Statements.

Similarly, the Group’s borrowings classified under “Current Liabilities” as at 31 December 2019 pertain to the revolving credit facilities which are payable within one year as assessed at balance sheet date, which in this case being 31 December 2019. The non-current liabilities as at 31 December 2019 refer to the facility agreements (the “**Facilities**”) entered into by subsidiaries of EC World REIT as set out in the announcement dated 28 June 2019 “Entry into Facility Agreements and Disclosure pursuant to Rule 704(31) of the Listing Manual”. As the Facilities are payable after one year as assessed at 31 December 2019, they are classified as “Non-Current Liabilities” under the Singapore Financial Reporting Standard 1: Presentation of Financial Statements.

The decrease in “Current Liabilities” at the “Company” level vis-à-vis the “Group” level as at 31 December 2019 is due to the Facilities being undertaken by subsidiaries of EC World REIT. As such, the borrowings are presented at the “Group” level instead of the “Company” level.

The Facilities were used to refinance all of EC World REIT’s existing onshore and offshore term loans due in 2019, and partially fund the acquisitions of Fuzhou E-Commerce (please refer to the announcement released by EC World REIT dated 10 May 2019) and to finance EC World REIT’s working capital and other general corporate purposes as stated in the announcement titled “Drawdown on loan facilities” which was released on 29 July 2019 and the announcement titled “Further Drawdown On Loan Facilities And Completion Of Acquisitions Of Fuzhou e-Commerce” which was released on 8 August 2019.

- b) **Please explain the reason(s) for the material variance in the current and non-current “trade and other payables” financial statement line items.**

**Response:**

The material variance in the Group’s current and non-current “trade and other payables” financial statement line items is primarily due to the acquisition of Fuzhou E-Commerce by EC World REIT which was approved by unitholders of EC World REIT at the extraordinary general meeting held on 19 June 2019. The acquisition was completed on 8 August 2019.

The increase in the Group’s current trade and other payables related mainly to Fuzhou E-Commerce’s construction payable acquired as part of the acquisition, which is part of the REIT’s ordinary course of business.

The increase in the Group’s non-current trade and other payables was mainly due to receipt of security deposit of RMB43 million (equivalent to approximately S\$8.3m) from Fuzhou E-Commerce’s master lease agreement.

As at 31 December 2018, the Company’s current trade and other payables included an interest expense payable for EC World REIT’s S\$200 million loan facility which was subsequently paid in January 2019. As a result of the refinancing exercise where new loan facilities are being undertaken by subsidiaries of EC World REIT, such interest expense is no longer payable by the Company and this was the main reason for the drop in the Company’s current trade and other payables as at 31 December 2019.

By Order of the Board

Goh Toh Sim

Executive Director and Chief Executive Officer

**EC World Asset Management Pte. Ltd.**

(Company Registration No. 201523015N)

As manager of EC World Real Estate Investment Trust

Date: 9 March 2020

## **IMPORTANT NOTICE**

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by the Manager, DBS Trustee Limited (as trustee of EC World REIT), or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Unitholders have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of EC World REIT. The forecast financial performance of EC World REIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.