
**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

INTRODUCTION

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

ECW was established with the investment strategy of investing principally, directly or indirectly, in a diversified portfolio of income-producing real estate which is used primarily for e-commerce, supply-chain management and logistics purposes, as well as real estate-related assets, with an initial geographical focus in the People’s Republic of China (“**PRC**”).

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

ECW’s portfolio comprises seven properties (collectively known as the “**Properties**”) located in Hangzhou and Wuhan, the PRC, with an aggregate net lettable area (“**Net Lettable Area**” or “**NLA**”) of 954,299 square meters. The Properties are:

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

Notes:

On 3 October 2022, the Manager announced that ECW, through its wholly-owned subsidiary, Richwin Investment Pte. Ltd. (“**Vendor**”), had on 30 September 2022 entered into an equity purchase agreement (the “**Equity Purchase Agreement**”) with Hangzhou Futou Beigang Enterprise Management Co., Ltd. (“**HFBEM**”), Forchn International Pte. Ltd. (“**FIPL**”, and together with HFBEM, the “**Purchasers**”) and the Forchn Holdings Group Co., Ltd., the sponsor of EC World REIT (the “**Sponsor**”) pursuant to which ECW will divest its indirect interests in Stage 1 Properties of Bei Gang Logistics (“**Beigang Logistics Stage 1**”) and Chongxian Port Logistics (“**Chongxian Port Logistics**”) (together the “**Divestment Properties**”) (the “**Proposed Divestment**”) (Please refer to 1 (b) (i) Balance sheet note 4 for details).

Both Divestment Properties are located in Hangzhou, the PRC. The NLA for the remaining five properties is 708,024 square meters.

EC WORLD REAL ESTATE INVESTMENT TRUST ("ECW")
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

Summary Results of ECW

		Group		
		1.1.23 to 31.3.23	1.1.22 to 31.3.22	Change
		S\$'000	S\$'000	%
	Notes			
Gross revenue	(1)	28,134	32,151	(12.5)
Net property income	(1)	26,078	29,734	(12.3)
Calculated Distribution to Unitholders		9,128	11,200	(18.5)
Calculated Distribution per unit ("DPU") (cents)	(2)	1.127	1.383	(18.5)
Annualised distribution yield (%)		<i>14.28</i>	<i>7.68</i>	85.9
- Based on share price of S\$0.320 per unit as at 31 March 2023 (S\$0.730 as at 31 March 2022)				

Notes:

- (1) The decrease in gross revenue and net property income in 1Q2023 was mainly due to absence of rental income from Fu Zhuo Industrial, lower late fee income, straight-line rental adjustment, and weakening of RMB by 8.5% year-on-year, offset by organic rental escalations. 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\$27.6 million and S\$25.6 million respectively in 1Q2023 (1Q2022: S\$31.2 million and S\$28.8 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. However, ECW had been making distribution on a quarterly basis since its first distribution on 28 November 2016. On 27 December 2022, the Manager has announced that ECW will make distributions on a half-yearly basis, in respect of the periods commencing on or after 1 January 2023.

ECW planned to retain 10% of total amount available for distribution for general working capital purpose for the financial period with effective from 1 January 2023. Please refer to section 1(a) for the distribution statement. The next distribution to Unitholders will be for the half-year period from 1 January 2023 to 30 June 2023.

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

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

1(a) Statement of Total Return and Distribution Statement

		Group		
		1.1.23 to 31.3.23	1.1.22 to 31.3.22	Change
<u>Statement of Total Return</u>		S\$'000	S\$'000	%
	Notes			
Gross revenue	(1)	28,134	32,151	(12.5)
Property expenses	(2)	(2,056)	(2,417)	(14.9)
Net property income		26,078	29,734	(12.3)
Finance income		470	563	(16.5)
Finance costs		(11,099)	(9,845)	12.7
Manager's management fees	(3)			
- Base fees		(1,127)	(1,245)	(9.5)
Trustee's fees		(76)	(85)	(10.6)
Foreign exchange gain/(loss)	(4)	2,826	(217)	N/M
Other trust expenses	(5)	(356)	(303)	17.5
Net income		16,716	18,602	(10.1)
Pre-termination compensation		-	(4,106)	N/M
Net change in fair value of investment properties		-	(1,816)	N/M
Net change in fair value of financial derivatives	(6)	(3,186)	1,551	N/M
Total return for the financial period before income tax		13,530	14,231	(4.9)
Income tax expenses	(7)	(6,612)	(6,888)	(4.0)
Total return for the financial period after income tax before distribution		6,918	7,343	(5.8)

Distribution statement

Total return for the financial period after income tax before distribution		6,918	7,343	(5.8)
Distribution adjustments	(8)	3,224	3,857	N/M
Total amount available for distribution		10,142	11,200	(9.4)
Calculated Distribution to Unitholders		9,128	11,200	(18.5)

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 elected to receive 100% of its base fee in the form of cash for the period from 1 January 2023 to 31 December 2023.

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

- (4) Foreign exchange 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 relates to various derivative financial instruments which were put in place by the Manager to hedge interest rate and exchange rate risks.
- (7) Income tax expenses comprise corporate income tax, withholding tax and deferred tax.
- (8) Net effect of (non-taxable income) / tax deductible expenses and other adjustments comprises:

	Group		
	1.1.23 to 31.3.23	1.1.22 to 31.3.22	Change
	S\$'000	S\$'000	%
Straight-lining of step-up rental	244	(106)	N/M
Security deposit accretion	52	14	>100
Trustee's fees	76	85	(10.6)
Net fair value loss on investment properties	-	1,271	N/M
Net deferred tax credit	(61)	(285)	N/M
Net change in fair value of financial derivatives	3,186	(1,551)	N/M
Pre-termination compensation - FZSY expropriation	-	2,874	N/M
Amortisation of upfront debt issuance costs	1,576	1,449	8.8
Foreign exchange (gain)/loss, net	(2,719)	108	N/M
Provision of WHT (net)	870	-	N/M
Others	-	(2)	N/M
Total distribution adjustments	3,224	3,857	N/M

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

1(b)(i) Balance Sheet

		Group		ECW	
		31.3.23	31.12.22	31.3.23	31.12.22
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	(1)	117,959	113,330	5,760	1,494
Derivative financial assets	(2)	235	1,857	-	-
Trade and other receivables	(3)	17,249	14,293	1,119	1,203
Loans to subsidiaries		-	-	241,557	241,556
		135,443	129,480	248,436	244,253
Assets of disposal group classified as held-for-sale	(4)	426,099	460,424	-	-
		561,542	589,904	248,436	244,253
Non-current assets					
Investment properties	(5)	1,077,227	1,076,874	-	-
Investment in subsidiaries		-	-	39,588	39,588
		1,077,227	1,076,874	39,588	39,588
Total assets		1,638,769	1,666,778	288,024	283,841
LIABILITIES					
Current liabilities					
Trade and other payables	(6)	80,053	55,258	2,719	2,820
Loans from subsidiaries		-	-	371,801	372,420
Borrowings	(7)	544,569	593,136	-	-
Derivative financial liabilities	(2)	2,651	1,099	-	-
Current income tax liabilities		15,693	13,497	-	-
		642,966	662,990	374,520	375,240
Liabilities directly associated with disposal group classified as held-for-sale	(4)	147,211	161,053	-	-
		790,177	824,043	374,520	375,240
Non-current liabilities					
Deferred income tax liabilities	(8)	195,517	193,975	-	-
Trade and other payables		40,982	40,929	-	-
Government grant		824	837	-	-
		237,323	235,741	-	-
Total liabilities		1,027,500	1,059,784	374,520	375,240
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		611,269	606,994	(86,496)	(91,399)
Represented by:					
UNITHOLDERS' FUNDS	(9)	611,269	606,994	(86,496)	(91,399)

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

Notes

- (1) Includes RMB71.6 million (S\$13.9 million) cash security deposits received from the master leases and cash deposits of RMB481.2 million (S\$93.1 million) placed as collateral for standby letter of credit (“**SBLC**”) issuance. As at 31 March 2023, cash collaterals for SBLC facilities were placed with 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 2023, 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);
(c) Foreign exchange forward contracts (to hedge the foreign exchange rate of the Offshore Facility)
- (3) Increase in trade and other receivables was mainly due to increase in rent receivables offset by collection from related party leases (including master lease agreements) during the period. The master lease agreements are secured by the cash security deposit of RMB221.6 million (S\$42.9 million). Under the master lease agreement, the overdue rent receivables are subjected to a late payment interest of 0.03% per day.
- (4) On 3 October 2022, the Manager announced that ECW, had on 30 September 2022 entered into an Equity Purchase Agreement with the Purchasers and the Sponsor pursuant to which the ECW will divest its indirect interests in the Divestment Properties.

The entire assets and liabilities related to the Proposed Divestment were presented as a disposal group classified as held-for sale as at 31 March 2023. Details of the assets of disposal group classified as held-for sale and liabilities directly associated with disposal group classified as held-for sale were as follows:

		Disposal Group as at 31 March 2023
<i>Details of the assets of disposal group reclassified as held-for-sale were as follows:</i>	Note	S\$'000
Cash and cash equivalents	(i)	8,830
Trade and other receivables		24,173
Investment properties		393,096
		426,099
<i>Details of the liabilities directly associated with disposal group reclassified as held-for-sale were as follows:</i>		
Trade and other payables	(ii)	35,787
Borrowings		35,511
Current income tax liabilities		6,538
Deferred income tax liabilities		69,375
		147,211

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

Note:

- i) Cash and cash equivalents for the disposal group comprise the following:

	Disposal Group as at 31 March 2023 S\$'000
Cash at bank and on hand	329
Interest reserves	4,246
Cash collateral for SBLC facilities	4,255
Cash and cash equivalents	<u>8,830</u>

- ii) Included in the trade and other payables is the security deposit for the master lease of Beigang amounted to RMB113.9 million (S\$22.0 million).
- iii) On 30 January 2023, the Purchasers and the Vendor had entered into a supplementary agreement (the “**Supplemental Agreement**”) to the Equity Purchase Agreement to extend the Long-Stop Date from 31 January 2023 to 28 February 2023 (or such other date as may be determined by the Vendor).

As announced by the Manager on 28 February 2023, the Long-Stop Date of the Proposed Divestment has been extended to (i) the earlier of (a) the new Mandatory Repayment deadline stipulated by the Lenders pursuant to the New Repayment Plan (if any) and (b) 30 April 2023; or (ii) such other later date as may be determined by the Vendor.

As announced by the Manager on 1 May 2023, the Vendor has on 28 April 2023 issued a written notice to the Sponsor and the Purchasers to extend the Long-Stop Date of the Proposed Divestment to (i) the earlier of (a) the new Mandatory Repayment deadline stipulated by the Lenders pursuant to the Extension and (b) 31 May 2023; or (ii) such other later date as may be determined by the Vendor.

- (5) Represents the carrying values of the investment properties, including asset enhancement initiatives, effective rental adjustments and translation differences. The investment properties were 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.
- (6) Increase in trade and other payables was mainly due to receipt of partial consideration for disposal of assets during the period.

Please refer to item 1(c) (3) Cash Flow Statements for details.

- (7) Consists of term loan facilities drawn down in 3Q2019 and revolving credit facilities. The decrease of borrowings was mainly due to the repayment made during the quarter.

Please refer to item 1(b)(ii) Aggregate Amount of Borrowings and Debt Securities for details.

- (8) Relates mainly to the deferred tax liability arising from the fair valuation of investment properties.
- (9) Please refer to item 1(d)(i) Statement of Changes in Unitholders’ Funds for details.

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

- (10) As at 31 March 2023, the current liabilities of the Group and ECW exceeded the current assets by S\$228,635,000 and S\$126,084,000 respectively. The Group’s current liabilities (including amounts presented within Liabilities directly associated with disposal group classified as held for sale) include bank loans of S\$75,465,000¹ due for repayment by 28 February 2023 (the “**Mandatory Repayment**”) and S\$415,690,000 due for repayment by 30 April 2023 (the “**April 2023 Outstanding Loans**”). As announced on 1 May 2023, the negotiations with the Lenders for the refinancing of the outstanding loans (comprising the Mandatory Repayment amount and the April 2023 Outstanding Loans) granted under the Existing Offshore Bank Loans and the Existing Onshore Bank Loans (the “**Existing Bank Loans**”) and the “**Refinancing Exercise**”) are currently ongoing, the Lenders have consented to the extension of the termination date of the Existing Bank Loans to 31 May 2023, which shall be the date on which the outstanding amount of the Existing Bank Loans is to be repaid or prepaid in full (the “**Extension**”). The Extension is conditional upon, among others, the Refinancing Exercise successfully completing by 31 May 2023. Notwithstanding, the financial statements are prepared on a going concern basis, as the Manager expects the Refinancing Exercise to be completed by 31 May 2023 with new conditions for the settlement of the Mandatory Repayment to be agreed to as part of the Refinancing Exercise.
- (11) As mentioned in paragraph 4.1(iv) of the Circular, Completion of the Proposed Divestment is subject to, among others, the transfer of Hangzhou Chongxian Port Investment Co., Ltd.’s (“Chongxian Investment”) 100.0% equity interest in Hangzhou Chongxian Port Logistics Co., Ltd. (“**Chongxian Logistics**”) to Hangzhou Bei Gang Logistics Co., Ltd. (“**Hangzhou Beigang**”) (the “**Internal Restructuring**”). On 9 April 2023, the Manager announced the completion of the Internal restructuring, and as such, Hangzhou Beigang directly owns 100.0% of the equity interests in Chongxian Logistics, which in turn owns Chongxian Port Logistics. Accordingly, Hangzhou Beigang currently owns both Chongxian Port Logistics and Beigang Logistics Stage 1 (whether directly or indirectly). The transfer is not expected to have any material impact on the NAV or the distribution per unit of ECW for the period ended 31 March 2023.

¹ Based on the exchange rates of RMB1.00 = S\$0.1934 and US\$1.00 = S\$1.3270 which were the actual exchange rates as at 31 March 2023

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

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

	Group	
	31.3.23	31.12.22
	S\$'000	S\$'000
Secured borrowings		
Amount repayable in one year or less	545,090	594,822
Less: Unamortised debt issuance costs	(521)	(1,686)
Total borrowings	544,569	593,136

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 (originally expiring in end July 2022) RMB1,018.0 million (S\$196.9 million) and 10-year (expires in July 2029) RMB77.0 million (S\$14.9 million) secured term loan facility. The maturity date of the Onshore Facilities (save for a RMB63,749,144 (S\$12.3 million) portion of the Onshore Facility which will expire in July 2029) was extended to 30 April 2023 as per the Restated Onshore Facility Agreement entered on 28 June 2022. The Onshore Borrowers are the Group’s subsidiaries namely, 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..

Based on the Restated Onshore Facility Agreement, at least 25% of the loans outstanding shall be repaid by 31 December 2022 (the “**Mandatory Onshore Repayment**”). (Please refer to 1(b)(ii) point (d) for details).

As at 31 March 2023, the onshore facility was secured by way of:

- i) a first ranking pledge over the entire issued equity interest of three of the Group’s subsidiaries, Hangzhou Chongxian Port Logistics Co., Ltd., Wuqiao Zhonggong Merlot (Hubei) Logistics Co., Ltd. and 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 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. and Jiayaoyingkai (Shanghai) Supply Chain Management Co., Ltd., and an unconditional and irrevocable guarantee from DBS Trustee Limited in its capacity as the Trustee;

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

(a) Onshore Facility (continued)

- 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, 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 31 March 2023 was 5.9%. The blended all-in running interest rate for the quarter 31 March 2023 was 5.6%.

(b) Offshore Facility

ECW has put in place 3-year (originally expiring in May 2022) S\$305.6 million and US\$86.8 million (S\$115.2 million) secured term loan facility. The borrowers are ECW Treasure Pte. Ltd. (“ECWT”) and Zhejiang Fuzhou E-commerce Co., Ltd..

On 31 May 2022 the offshore borrowers entered into an amendment and restatement agreement relating to the Original Facility Agreement (“Restated Offshore Facility Agreement”) to, inter alia, extend the maturity date of the Offshore Facilities to the earlier of (i) the earliest maturity date of the Onshore Facilities and (ii) 30 April 2023. Based on the Restated Offshore Facility Agreement, at least 25% of the loans outstanding shall be repaid by 31 December 2022 (the “**Mandatory Offshore Repayment**”, and together with the “**Mandatory Onshore Repayment**”, the “**Mandatory Repayment**”). (Please refer to 1(b)(ii) point (d) for details).

As at 31 March 2023, the offshore facility was secured by:

- i) An unconditional and irrevocable guarantee from the Singapore Holding Companies, 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 Heng Warehouse Co., Ltd., Zhejiang Hengde Sangpu Logistics Co., Ltd. and Wuhan Fute Logistics Co., Ltd.;

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

(b) Offshore Facility (continued)

- 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\$9.8 million and US\$2.0 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 2023 was 7.4%. The blended all-in running interest rate for the quarter ended 31 March 2023 was 5.7%. As at 31 March 2023, S\$300.0 million and US\$86.8 million (S\$115.2 million) of the above facility were drawn down and 44% 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

As at 31 March 2023, ECW has uncommitted revolving credit facilities of S\$130.0 million with United Overseas Bank Ltd (“UOB”), Malayan Banking Berhad (“MBB”) and Bank of East Asia Limited, Singapore Branch (“BEA”). ECW had drawn down a total of S\$89.5 million short-term loans backed by SBLC issued by United Overseas Bank (China) Ltd and Bank of East Asia (China) Limited. The SBLC is collateralised against a total cash deposit of RMB503.2 million (S\$97.3 million). The interest rates ranged from 4.19% to 5.55% per annum for the quarter ended 31 March 2023.

The blended all-in interest rate of the aggregate facilities for the quarter ended 31 March 2023 was 6.7%. The blended all-in running interest rate for the quarter ended 31 March 2023 was 5.6% per annum. At the end of the period, the Aggregate Leverage for the Group was 35.4% (31 December 2022: 38.8%) and the interest coverage ratio² was 2.63 times (31 December 2022: 2.68 times). Due to the changing global economic conditions, ECW expects the blended interest rates for the Offshore Facilities and Revolving Credit Facilities will increase further due to a small portion of offshore loans unhedged.

(d) Mandatory Repayment and refinancing of bank loans

On 9 January 2023, the Group’s lenders agreed to extend the Mandatory Repayment due date from 31 December 2022 to 28 February 2023. Subsequently on 28 April 2023, lenders have consented to the extension of the termination date of the Existing Bank Loans to 31 May 2023, which shall be the date on which the outstanding amount of the Existing Bank Loans is to be repaid or prepaid in full (the “**Extension**”). The Extension is conditional upon, among others, the Refinancing Exercise successfully completing by 31 May 2023.

Between January 2023 and March 2023, the Group made a partial settlement of the Mandatory Repayment totaling RMB87.9 million (S\$17.1 million) towards Onshore Facilities, SGD37.3 million and USD6.9 million (S\$9.2 million) for the Offshore Facility. The proceeds for the partial settlements were from the prepayments received from the Purchasers of the Proposed Divestment. The Mandatory Repayment amounting to S\$75.5 million remained outstanding as at 31 March 2023.

² 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 FIRST QUARTER ENDED 31 MARCH 2023**

(d) Mandatory Repayment and refinancing of bank loans (continued)

The negotiations with the Lenders for the refinancing of the outstanding loans (comprising the Mandatory Repayment amount and the April 2023 Outstanding Loans) granted under the Existing Offshore Bank Loans and the Existing Onshore Bank Loans (the “**Existing Bank Loans**” and the “**Refinancing Exercise**”) are currently ongoing. The Lenders are still in the process of obtaining internal approval for the Refinancing Exercise and are concurrently reviewing the draft finance documents for the Refinancing Exercise (the “**Finance Documents**”).

In connection with the Extension mentioned above, Mr. Zhang Guobiao, the Chairman of the Sponsor, has provided personal guarantees in respect of the full outstanding amount of the Mandatory Repayment. The Personal Guarantees have been entered into on 28 April 2023.

Based on the current progress, the Manager expects the Refinancing Exercise to be completed by 31 May 2023 with new conditions for the settlement of the Mandatory Repayment to be agreed to as part of the Refinancing Exercise.

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

1(c) Cash Flows Statement

		Group			
		1.1.23 to 31.3.23	1.1.22 to 31.3.22	1.1.23 to 31.3.23	1.1.22 to 31.3.22
		S\$'000	S\$'000	S\$'000	S\$'000
	Notes				
Cash Flows from Operating Activities					
Total return for the financial period		6,918	7,343	6,918	7,343
Adjustments for:					
- Income tax		6,612	6,888	6,612	6,888
- Interest income		(470)	(563)	(470)	(563)
- Finance cost		11,100	9,845	11,100	9,845
- Effect of straight lining of step-up rental		244	(106)	244	(106)
- Effect of security deposits accretion		(734)	(803)	(734)	(803)
- Fair value gain on derivative instruments		3,186	(1,551)	3,186	(1,551)
- Fair value loss on investment properties		-	1,816	-	1,816
- Exchange loss		(2,681)	108	(2,681)	108
Operating cash flow before working capital change		24,175	22,977	24,175	22,977
Changes in working capital:					
Trade and other receivables		(4,980)	(20,830)	(4,980)	(20,830)
Trade and other payables		(2,144)	9,382	(2,144)	9,382
Cash generated from operating activities		17,051	11,529	17,051	11,529
Interest received		470	563	470	563
Income tax paid (net)		(1,123)	(4,131)	(1,123)	(4,131)
Net cash generated from operating activities		16,398	7,961	16,398	7,961
Cash Flows from Investing Activities					
Receipt of partial consideration for disposal of assets	(3)	25,864	-	25,864	-
Net cash generated from investing activities		25,864	-	25,864	-
Cash Flows from Financing Activities					
Repayment of bank borrowings	(1)	(64,492)	(18,908)	(64,492)	(18,908)
Distribution to Unitholders		(2,896)	(12,442)	(2,896)	(12,442)
Payment of loan transaction fees		(225)	-	(225)	-
Interest paid		(6,881)	(7,545)	(6,881)	(7,545)
SBLC commission paid		(6)	(20)	(6)	(20)
Release/(placements) of deposits for SBLC facilities		(35)	18,949	(35)	18,949
Release from/deposit to escrow account, net	(2)	36,913	-	36,913	-
Increase in interest reserves		(6)	-	(6)	-
Net cash used in financing activities		(37,628)	(19,966)	(37,628)	(19,966)
Net increase / (decrease) in cash and cash equivalents period		4,634	(12,005)	4,634	(12,005)
equivalents		6,335	22,713	6,335	22,713
equivalents		(1)	103	(1)	103
Cash and cash equivalents at the end of financial period	(2)	10,968	10,811	10,968	10,811

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

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	
	31.3.23	31.3.22
	S\$'000	S\$'000
Cash and cash equivalents (incl disposal group)	126,789	139,111
Less:		
- Interest reserves [#]	(16,340)	(16,073)
- Escrow Account*	(2,170)	-
- Cash collateral for SBLC facilities	(97,311)	(112,227)
Cash and cash equivalents per consolidated statement of cash flows	10,968	10,811

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

* On 30 December 2022, the Sponsor placed a margin deposit of RMB200 million (S\$38.7 million) (the “**Margin Deposit**”) in an escrow account of the onshore facility agent under the Existing Onshore Bank Loans (“**Escrow Account**”). On 10 February 2023, RMB140.2 million (S\$27.1 million) was used to repay S\$24.4 million and US\$2.9 million of the existing offshore bank loans, RMB58.6 million (S\$11.3 million) was used for partial repayment of the existing onshore bank loans.

On 28 February 2023, the Sponsor placed a margin deposit RMB58 million (S\$11.3 million) in the escrow account. In March 2023, RMB29.3 million (S\$5.7 million) was used for partial repayment of the existing onshore bank loans, RMB18.6 million (S\$3.6 million) was used to repay S\$2.8 million and US\$0.6 million of the existing offshore bank loans.

The margin deposits constituted prepayment in part by the Purchasers to the Vendor of the Equity Consideration pursuant to the Equity Purchase Agreement. As at 31 March 2023, the aggregated outstanding amount of the margin deposits is RMB11.2 million (S\$2.2 million), which continues to be held in escrow account.

- (3) In addition, between January 2023 to March 2023, the Sponsor’s Singapore subsidiary, Forchn International Pte. Ltd. had paid a sum of S\$4.4 million, and US\$7.6 million (S\$10.2 million) as partial consideration for Divestment Properties. All these prepayments have been utilised for the partial repayment of the existing Offshore Facility.

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

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

	Group	
	1.1.23 to 31.3.23	1.1.22 to 31.3.22
	S\$’000	S\$’000
OPERATIONS		
Balance as at beginning of the period	777,277	818,988
Total return after tax	6,918	7,343
Distributions to unitholders	(2,896)	(12,442)
Transfer to general reserves	-	(3)
Balance as at end of the period	781,299	813,886
GENERAL RESERVES		
Balance as at beginning of the period	33,155	27,255
Transfer from operations	-	3
Balance as at end of the period	33,155	27,258
UNITHOLDERS’ CONTRIBUTION		
Balance as at beginning of the period	(77,627)	(77,893)
Movement during the period		
- Manager’s performance fees paid in units	-	266
Balance as at end of the period	(77,627)	(77,627)
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance as at beginning of the period	(125,811)	(16,597)
Translation differences relating to financial statements of foreign subsidiaries	253	6,900
Balance as at end of the period	(125,558)	(9,697)
Total Unitholders’ funds as at end of the period	611,269	753,820

	ECW	
	1.1.23 to 31.3.23	1.1.22 to 31.3.22
	S\$’000	S\$’000
OPERATIONS		
Balance as at beginning of the period	(13,772)	(20,880)
Total return after tax	7,799	33,090
Distributions to unitholders	(2,896)	(12,442)
Balance as at end of the period	(8,869)	(232)
UNITHOLDERS’ CONTRIBUTION		
Balance as at beginning of the period	(77,627)	(77,893)
Movement during the period		
- Manager’s performance fees paid in units	-	266
Balance as at end of the period	(77,627)	(77,627)
Total Unitholders’ funds as at end of the period	(86,496)	(77,859)

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

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

		Group and ECW	
		1.1.23 to 31.3.23	1.1.22 to 31.3.22
		Units	Units
Balance as at beginning of period	Note	809,838,247	809,491,511
- Manager's fees paid in units		-	346,736
Issued units as at the end of period		809,838,247	809,838,247
Units to be issued	(1)	-	-
- Manager's performance fees payable in units		-	-
Total issued and to be issued units		809,838,247	809,838,247

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 100% of its base fee in the form of cash for the period from 1 January 2023 to 31 December 2023.

- 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**

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 unaudited financial statement for the financial year ended 31 December 2022. As announced on 1 May 2023, SGX granted ECW extension to hold the AGM from 30 April 2023 to 27 July 2023.

EC WORLD REAL ESTATE INVESTMENT TRUST ("ECW")
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

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

Not applicable.

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

		Group	
Notes	1.1.23 to 31.3.23	1.1.22 to 31.3.22	
Weighted average number of units as at end of period Earnings per unit ("EPU") - Basic and Diluted (cents)	809,838,247	809,495,364	(1)
	0.85	0.91	
Number of units entitled to distribution Calculated Distribution per unit ("DPU") (cents) Calculated Distribution per unit ("DPU") (cents) - Annualised	809,838,247	809,838,247	(2)
	1.127	1.383	
	4.571	5.609	

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. The next distribution to Unitholders will be for the half-year period from 1 January 2023 to 30 June 2023.

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

	As at 31.03.23	As at 31.12.22
NAV / NTA of Group - attributable to Unitholders (S\$'000)	611,269	606,994
NAV / NTA of REIT (S\$'000)	(86,496)	(91,399)
Number of units outstanding as at end of each period ('000)	809,838	809,838
Group's net asset value per unit (S\$)	0.75	0.75
ECW's net asset value per unit (S\$)	(0.11)	(0.11)

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

8. Review of the Performance

Review of performance for the quarter ended 31 March 2023

Gross revenue of S\$28.1 million was S\$4.0 million or 12.5% lower compared to 1Q2022. Net property income (“NPI”) of S\$26.1 million was S\$3.6 million or 12.3% lower compared to 1Q2022. In RMB terms, the gross revenue and NPI were 4.3% and 4.1% lower respectively compared to 1Q2022. After straight-line rental adjustment, rental security deposit accretion and other relevant distribution adjustments, gross revenue and NPI in RMB terms was 3.3% and 2.9% lower respectively compared to 1Q2022, mainly due to absence of rental income from Fu Zhuo Industrial and lower late fee income, offset by organic rental escalations.

Finance costs of S\$11.1 million were S\$1.3 million or 12.7% higher compared to 1Q2022 mainly due to higher interest rate in the quarter compared to 1Q2022 and extension fee paid.

Calculated Distribution to Unitholders of S\$9.1 million represents S\$2.1 million or 18.5% decrease compared to 1Q2022, partly due to the assumed retention for general working capital purpose. Excluding which, Calculated Distribution to Unitholders would have been S\$10.1 million, representing a year-on-year decline of S\$1.1 million or 9.4%, which was mainly due to absence of rental income from Fu Zhuo Industrial, lower late fee income and higher finance cost.

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 FIRST QUARTER ENDED 31 MARCH 2023**

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 economy expanded by 4.5% year-on-year in the first quarter of 2023, and alongside strong resurgence in consumer spending following the end of pandemic restrictions. Retail sales showed good momentum, rising by 5.8% in the first three months of the year, which was a reversal from 2.7% contraction in the fourth quarter of 2022. Amongst which, online retail surged by 8.6%. The consensus view, in spite of the robust first quarter performance, is for online retail growth to moderate, relative to a stronger pace of growth from offline retail sales for full year 2023 in the light of fast recovery in foot traffic in offline stores with the return to mobility³.

The property market crisis has not abated while the falling export demand could weigh on the strength of China's economic recovery⁴ while the Chinese government put in place various policies to spur domestic demand which are aimed to reduce its exposure to external risks⁵. Despite a more modest GDP target of 5% for 2023 set by the Chinese government, the current year growth outlook is expected to be challenging.

Global economy, as forecasted by IMF, is heading for a slowdown from 3.4% in 2022 to 2.8% in 2023, amid the rising inflation and higher commodity prices which continue to pose challenges for central banks around the world⁶. The inflation's return to target is unlikely before 2025 in most cases hence the tight policy stances needed to bring down inflation and to face the fallout from the recent deterioration in financial conditions, the ongoing war in Ukraine, and growing geoeconomic fragmentation⁶. As interest rates will only likely reduce toward their pre-pandemic levels once inflation rates are back to targets, higher interest rates will continue to prevail in the short term⁶.

Against this backdrop, while ECW's rental income from its portfolio is expected to remain fairly resilient, the higher finance costs coupled with the challenges posed by the Mandatory Repayment and Refinancing Exercise, ECW will continue to face financial stress in the short to medium term.

³ <https://www.fitchratings.com/research/corporate-finance/chinas-online-retailers-face-market-share-pressure-as-competition-intensifies-07-03-2023>

⁴ <https://www.ft.com/content/a67c7717-c117-4778-b2f3-324d1c9fdd11>

⁵ <https://www.reuters.com/markets/asia/china-plans-expand-domestic-demand-spur-economy-state-media-2022-12-14/>

⁶ <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

11. Distribution

(a) Current financial period

Any distributions declared for the current financial period? No

(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 1.383 cents per unit was declared for the period from 1 January 2022 to 31 March 2022.

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

No distribution has been declared for the period from 1 January 2023 to 31 March 2023. On 27 December 2022, the Manager has announced that ECW will make distributions on a half-yearly basis, in respect of the periods commencing on or after 1 January 2023. The next distribution to Unitholders will be for the period from 1 January 2023 to 30 June 2023.

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 FIRST QUARTER ENDED 31 MARCH 2023**

14. Segmental results

	Group			
	1.1.23 to 31.3.23		1.1.22 to 31.3.22	
	S\$'000	%	S\$'000	%
Gross revenue				
- Port logistics	11,686	41.5	13,510	42.0
- Specialised logistics	2,943	10.5	3,287	10.2
- E-commerce logistics	13,505	48.0	15,354	47.8
	28,134	100.0	32,151	100.0
Net property income				
- Port logistics	11,085	42.5	12,762	42.9
- Specialised logistics	2,605	10.0	2,944	9.9
- E-commerce logistics	12,388	47.5	14,028	47.2
	26,078	100.0	29,734	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		
	1.1.23 to 31.3.23	1.1.22 to 31.3.22	Change
	S\$'000	S\$'000	%
<u>First quarter of the year</u>			
Gross revenue	28,134	32,151	(12.5)
Net property income	26,078	29,734	(12.3)

Please refer to Item 8 for review of actual performance.

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

17. Breakdown of total distribution for the financial period ended 31 March 2023

In respect of the period:

1 January 2022 to 31 March 2022

1 January 2023 to 31 March 2023

(Next distribution will be for the period from 1 January 2023 to 30 June 2023)

Group	
1.1.23 to 31.3.23	1.1.22 to 31.3.22
S\$'000	S\$'000
-	11,200
9,128	-
9,128	11,200

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

Not applicable as there was no distribution declared for the period from 1 January 2023 to 31 March 2023.

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 2023, 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.

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

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
12 May 2023