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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

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**INTRODUCTION**

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

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

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

ECW’s portfolio comprises eight properties (collectively known as the “Properties”) located in Hangzhou and Wuhan, the PRC, with an aggregate net lettable area (“Net Lettable Area” or “NLA”) of 960,461 square meters. The Properties are:

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

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**Summary Results of ECW**

	Notes	Group		
		1.1.22 to 31.3.22	1.1.21 to 31.3.21	Change
		S\$'000	S\$'000	%
Gross revenue	(1)	32,151	30,802	4.4
Net property income	(1)	29,734	27,679	7.4
Distribution to Unitholders		11,200	12,361	(9.4)
Distribution per unit ("DPU") (cents)	(2)	1.383	1.532	(9.7)
Annualised distribution yield (%)				
- Based on share price of S\$0.73 per unit as at 31 March 2022		7.68	8.69	(11.6)

**Notes:**

- (1) The increase in gross revenue and net property income in 1Q2022 was mainly due to strengthening of RMB, organic rental escalations and Late Fee income year-on-year. After adjusting for effective rent, security deposit accretion and other relevant distribution adjustments in section 1(a)(9), gross revenue and net property income were S\$31.2 million and S\$28.8 million respectively in 1Q2022 (1Q2021: S\$29.8 million and S\$26.6 million respectively).
- (2) ECW's distribution policy is to distribute at least 90% of distributable income for each financial year on a semi-annual basis. ECW has been making distribution on a quarterly basis since its first distribution on 28 November 2016. The Manager will determine at a later stage whether it will change the frequency of distributions.

For 1Q2022, the Manager has resolved to distribute 100% of the total amount available for distribution to Unitholders. Please refer to section 1(a) for the distribution statement. The next distribution for the period from 1 January 2022 to 31 March 2022 will be made on or around 29 June 2022.

**Distribution and Record Date**

Distribution	1 January 2022 to 31 March 2022
Distribution type	Tax-exempt distribution
Distribution rate	1.383 cents
Record date	15 June 2022
Payment date (est)	29 June 2022

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

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**1(a) Statement of Total Return and Distribution Statement**

<b>Statement of Total Return</b>	Notes	<b>Group</b>		
		<b>1.1.22 to 31.3.22</b>	<b>1.1.21 to 31.3.21</b>	<b>Change</b>
		<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Gross revenue	(1)	32,151	30,802	4.4
Property expenses	(2)	(2,417)	(3,123)	(22.6)
<b>Net property income</b>		<b>29,734</b>	<b>27,679</b>	<b>7.4</b>
Finance income		563	528	6.6
Finance costs		(9,845)	(9,703)	1.5
Manager's management fees	(3)			
- Base fees		(1,245)	(1,446)	(13.9)
Trustee's fees		(85)	(83)	2.4
Foreign exchange (loss)/gain	(4)	(217)	(1,406)	(84.6)
Other trust expenses	(5)	(303)	(328)	(7.6)
<b>Net income</b>		<b>18,602</b>	<b>15,241</b>	<b>22.1</b>
Pre-termination compensation	(6)	(4,106)	-	N/M
Net change in fair value of investment properties	(6)	(1,816)	-	N/M
Net change in fair value of financial derivatives	(7)	1,551	4,537	(65.8)
<b>Total return for the financial period before income tax</b>		<b>14,231</b>	<b>19,778</b>	<b>(28.0)</b>
Income tax expenses	(8)	(6,888)	(4,891)	40.8
<b>Total return for the financial period after income tax before distribution</b>		<b>7,343</b>	<b>14,887</b>	<b>(50.7)</b>

**Distribution statement**

Total return for the financial period after income tax before distribution		7,343	14,887	(50.7)
Distribution adjustments	(9)	3,857	(1,151)	N/M
<b>Total amount available for distribution</b>		<b>11,200</b>	<b>13,736</b>	<b>(18.5)</b>
<b>Distribution to Unitholders</b>		<b>11,200</b>	<b>12,361</b>	<b>(9.4)</b>

**Notes:**

- (1) Gross revenue comprises gross rental income and other income from the investment properties.
- (2) Property expenses comprise property management fee, reimbursable expenses payable to Property Manager and other property related expenses.
- (3) Manager's management fees consist of:
  - (a) A base fee of 10% per annum of the Distributable Income (calculated before accounting for the base fee and the performance fee in each financial year); and
  - (b) A performance fee of 25% per annum of the difference in Distribution per Unit (“DPU”) in a financial year with the DPU in the preceding full financial year (calculated before accounting for performance fee but after accounting for base fee in each financial year) multiplied by weighted average number of Units in issue for such financial year.

The Manager has elected to receive 100% of its base fee in the form of cash for the period from 1 January 2022 to 31 March 2022.

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- (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) On 9 March 2022, EC World REIT entered into an expropriation and compensation agreement (the “Expropriation Agreement”) with the PRC authorities in relation to the Compulsory Expropriation of Fu Zhuo Industrial (the “Compulsory Expropriation”). Under the terms of the Expropriation Agreement, the PRC authorities shall provide a Compensation Package (the “Compensation Package”) amounting to RMB108.5 million, which resulted in a fair value loss of RMB8.5 million (S\$1.8 million). The proposed utilization of the proceeds from the Compensation Package will include the following (i) compensation to the third-party tenant; (ii) payment of taxes in relation to the compensation package; and (iii) partial payment of existing borrowings subject to lenders’ approval. As of 31 March 2022, 30% of the compensation package has been received and recorded as a balance sheet item pending the transfer of the property title deed.

According to the tenancy agreement with the third-party tenant, Fu Zhuo Industrial will need to provide compensation for the pre-termination resulting from the Compulsory Expropriation (the “Pre-Termination Compensation”). The Manager is in the process of negotiating the Pre-Termination Compensation with the third-party tenant and made a provision of RMB19.2 million (S\$4.1 million). Based on 30% of the compensation package received in 1Q2022, ECW has recognized 30% of the Pre-termination Compensation accordingly for distribution purpose. The balance of the provision for Pre-Termination Compensation will be recognized upon receipt of the remaining Compensation Package.

- (7) The net change in fair value of financial derivatives relates to various derivative financial instruments which were put in place by the Manager to hedge interest rate and exchange rate risks.
- (8) Income tax expenses comprise corporate income tax, withholding tax and deferred tax. The increase in income tax expenses mainly due to withholding tax paid (S\$1.8 million) for repatriation of funds.
- (9) Net effect of (non-taxable income) / tax deductible expenses and other adjustments comprises:

		<b>Group</b>		
		<b>1.1.22 to 31.3.22</b>	<b>1.1.21 to 31.3.21</b>	<b>Change</b>
		<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
	Note			
Straight-lining of step-up rental		(106)	(272)	(61.0)
Security deposit accretion		14	(25)	N/M
Manager's base fees paid/payable in units		-	723	N/M
Trustee's fees		85	83	2.4
Fair value loss on investment properties	(1)	1,271	-	N/M
Deferred tax (credit)/expense	(1)	(285)	68	N/M
Fair value gain on financial derivatives		(1,551)	(4,537)	(65.8)
Pre-termination compensation	(1)	2,874	-	N/M
Amortisation of upfront debt issuance costs		1,449	1,403	3.3
Foreign exchange loss, net (unrealised)		108	1,406	(92.3)
Others		(2)	-	N/M
Total distribution adjustments		3,857	(1,151)	N/M

**Note:**

- (1) 30% of fair value loss on investment properties, deferred tax credit and pre-termination compensation relate to the Compulsory Expropriation of Fu Zhuo Industrial have been recognized in computation of distributable income for the quarter ended 31 March 2022, which is in line with the amount of compensation received.

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

		<b>Group</b>		<b>ECW</b>	
		<b>31.3.22</b>	<b>31.12.21</b>	<b>31.3.22</b>	<b>31.12.21</b>
		<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>					
<b>Current assets</b>					
	(1)	139,111	169,255	107	184
	(2)	72,924	52,115	1,243	1,103
	(3)	23,137	-	-	-
		-	-	289,196	289,137
		<b>235,172</b>	<b>221,370</b>	<b>290,546</b>	<b>290,424</b>
<b>Non-current assets</b>					
	(4)	1,657,745	1,673,893	-	-
		-	-	39,588	39,588
		<b>1,657,745</b>	<b>1,673,893</b>	<b>39,588</b>	<b>39,588</b>
<b>Total assets</b>		<b>1,892,917</b>	<b>1,895,263</b>	<b>330,134</b>	<b>330,012</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
		42,284	33,521	2,062	2,513
		-	-	405,931	426,272
	(5)	692,041	708,308	-	-
	(6)	3,447	4,993	-	-
		19,638	16,380	-	-
		<b>757,410</b>	<b>763,202</b>	<b>407,993</b>	<b>428,785</b>
<b>Non-current liabilities</b>					
	(5)	13,060	13,185	-	-
	(7)	297,294	296,174	-	-
		70,363	69,969	-	-
		970	980	-	-
		<b>381,687</b>	<b>380,308</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>1,139,097</b>	<b>1,143,510</b>	<b>407,993</b>	<b>428,785</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<b>753,820</b>	<b>751,753</b>	<b>(77,859)</b>	<b>(98,773)</b>
Represented by:					
<b>UNITHOLDERS' FUNDS</b>		<b>753,820</b>	<b>751,753</b>	<b>(77,859)</b>	<b>(98,773)</b>

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**Notes**

- (1) Includes RMB195.1 million (S\$41.6 million) cash security deposits received from the master leases and cash deposits of RMB526.4 million (S\$112.2 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) Increase in trade and other receivables is mainly due to appreciation of RMB and increase in rent receivables and late rental payment penalty (“Late Fees”) receivables totalling S\$21.1 million. Included in the rent receivables is an outstanding amount of S\$31.3 million from master lease agreements. The master lease agreements are secured by the cash security deposit of RMB345.1 million (S\$73.6 million). Under the master lease agreement, the overdue rent receivables are subjected to a late payment interest of 0.03% per day. Rent receivables of S\$16.6 million as at 31 March 2022 was received in April 2022.
- (3) As a result of the Compulsory Expropriation, Fuzhuo Industrial has been reclassified as an “Asset held for sale”. A fair value loss of RMB8.5 million (S\$1.8 million) is recorded based on the Compensation Package agreed. Please refer to item 1(a)(6) for details.
- (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 decrease in carrying amount of investment properties was mainly due to the reclassification of asset as held for sale (Please refer to note (3) above) offset by strengthening of RMB against SGD. In view of the COVID-19 situation, the Board and Management expect variations in the asset valuation of the Properties.
- (5) Consists of term loan facilities drawn down in 3Q2019 and revolving credit facilities.  
  
Please refer to item 1(b)(ii) Aggregate Amount of Borrowings and Debt Securities for details.
- (6) This relates to the fair values of the derivative financial instruments entered into to hedge the various risks of ECW. As at 31 March 2022, the derivative instruments entered into were:
  - (a) Plain vanilla interest rate swaps (to hedge the interest rate of the Offshore Facility);
  - (b) Cross currency swaps (to hedge the interest rate and foreign exchange rate of the Offshore Facility); and
  - (c) Currency options contracts (to hedge the expected income repatriation from China to Singapore).
- (7) Relates mainly to the deferred tax liability arising from the fair valuation of investment properties.
- (8) Please refer to item 1(d)(i) Statement of Changes in Unitholders’ Funds for details.
- (9) As at 31 March 2022, the Group had borrowings from financial institutions of S\$692,041,000. This was classified under current liabilities as they are due for repayment in May and July 2022, which is within the next 12 months from the reporting date. ECW’s loan from a subsidiary (the Group’s treasury entity) was classified under current liabilities as it is repayable on demand. This led to the current liabilities of the Group and ECW exceeding the current assets by S\$522,238,000 and S\$117,447,000 respectively. Notwithstanding the above, the financial statements are prepared on a going concern basis, as the negotiation with the financial institutions is at its final stage, the Manager expects the negotiations will be completed and the re-financing settled before these borrowings become due for repayment. The subsidiary will not demand payment from ECW as long as the Group’s bank facilities are refinanced as the subsidiary draws down these offshore loan facilities for the purpose of funding ECW and the Group.

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

	<b>Group</b>	
	<b>31.3.22</b>	<b>31.12.21</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Secured borrowings</b>		
Amount repayable in one year or less	693,346	710,998
Less: Unamortised debt issuance costs	(1,305)	(2,690)
	<b>692,041</b>	<b>708,308</b>
Amount repayable after one year	13,181	13,317
Less: Unamortised debt issuance costs	(121)	(132)
	<b>13,060</b>	<b>13,185</b>
<b>Total borrowings</b>	<b>705,101</b>	<b>721,493</b>

**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 (expiring in end-July 2022) RMB1,018.0 million (S\$217.0 million) and 10-year (expires in July 2029) RMB77.0 million (S\$16.4 million) secured term loan facility.

The facility is secured by way of:

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

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- 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 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 2022 was 6.9%. The blended all-in running interest rate for the quarter ended 31 March 2022 was 5.9%.

(b) Offshore Facility

ECW has 3-year (expiring in end-May 2022) S\$305.6 million and US\$86.8 million (S\$117.5 million) secured term loan facility secured by way of, *inter alia*:

- 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 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.

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The blended all-in interest rate for the quarter ended 31 March 2022 was 5.0%. The blended all-in running interest rate for the quarter ended 31 March 2022 was 4.1%. As at 31 March 2022, S\$300.0 million and US\$86.8 million (S\$117.5 million) of the above facility were drawn down and 100% of the interest rate risk of the Offshore Facility was hedged using floating to fixed interest rate swaps and cross currency swaps.

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

(c) Revolving Credit Facilities

ECW has put in place uncommitted revolving credit facilities of S\$130.0 million with Malayan Banking Berhad (“MBB”), United Overseas Bank Ltd (“UOB”) and Bank of East Asia Limited, Singapore Branch (“BEA”). As at 31 March 2022, ECW had drawn down a total of S\$95.9 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 RMB526.4 million (S\$112.2 million). The interest rates ranged from 1.3% to 2.1% per annum for the quarter ended 31 March 2022.

The blended all-in interest rate of the aggregate facilities for the quarter ended 31 March 2022 was 5.1%. The blended all-in running interest rate for the quarter ended 31 March 2022 was 4.2% per annum. At the end of the period, the Aggregate Leverage for the Group was 37.3% (31 December 2021: 38.2%) and the interest coverage ratio<sup>1</sup> was 2.97 times (31 December 2021: 2.92 times).

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

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**1(c) Cash Flows Statement**

		<b>Group</b>	
		<b>1.1.22 to 31.3.22</b>	<b>1.1.21 to 31.3.21</b>
		<b>S\$'000</b>	<b>S\$'000</b>
	Notes		
<b>Cash Flows from Operating Activities</b>			
Total return for the financial period		7,343	14,887
Adjustments for:			
- Income tax		6,888	4,891
- Interest income		(563)	(528)
- Finance cost		9,845	9,703
- Effect of straight lining of step-up rental		(106)	(272)
- Effect of security deposits accretion		(803)	(775)
- Fair value gain on derivative instruments		(1,551)	(4,537)
- Fair value loss on investment properties		1,816	-
- Manager's base fees payable in units		-	723
- Exchange loss		108	1,406
<b>Operating cash flow before working capital change</b>		<b>22,977</b>	<b>25,498</b>
<b>Changes in working capital:</b>			
Trade and other receivables		(20,830)	(7,435)
Trade and other payables		9,382	(1,156)
<b>Cash generated from operating activities</b>		<b>11,529</b>	<b>16,907</b>
Interest received		563	528
Income tax paid (net)		(4,131)	(5,539)
<b>Net cash generated from operating activities</b>		<b>7,961</b>	<b>11,896</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of bank borrowings		(18,908)	(16,604)
(1)		(12,442)	(11,499)
Distribution to Unitholders		-	29,799
(1)		(7,545)	(7,211)
Interest paid		(20)	(106)
SBLC commission paid		18,949	(18,190)
(1)		(19,966)	(23,811)
<b>Net cash used in financing activities</b>		<b>(19,966)</b>	<b>(23,811)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(12,005)</b>	<b>(11,915)</b>
<b>Cash and cash equivalents at beginning of financial period</b>		<b>22,713</b>	<b>38,037</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>103</b>	<b>535</b>
<b>Cash and cash equivalents at the end of financial period</b>		<b>10,811</b>	<b>26,657</b>
(2)			

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**Notes**

- (1) Refer to Item 1(b)(ii) Aggregate Amount of Borrowings and Debt Securities for details.
- (2) For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	<b>Group</b>	
	<b>31.3.22</b>	<b>31.3.21</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and cash equivalents (as per Balance Sheet)	139,111	160,036
Less:		
- Interest reserves <sup>#</sup>	(16,073)	(15,766)
- Cash collateral for SBLC facilities	(112,227)	(117,613)
Cash and cash equivalents per consolidated statement of cash flows	10,811	26,657

<sup>#</sup> 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**

	<b>Group</b>	
	<b>1.1.22 to 31.3.22</b>	<b>1.1.21 to 31.3.21</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>OPERATIONS</b>		
Balance as at beginning of the period	818,988	838,166
Total return after tax	7,343	14,887
Distributions to unitholders	(12,442)	(11,499)
Transfer to general reserves	(3)	-
<b>Balance as at end of the period</b>	<b>813,886</b>	<b>841,554</b>
<b>GENERAL RESERVES</b>		
Balance as at beginning of the period	27,255	20,907
Transfer from operations	3	-
<b>Balance as at end of the period</b>	<b>27,258</b>	<b>20,907</b>
<b>UNITHOLDERS' CONTRIBUTION</b>		
Balance as at beginning of the period	(77,893)	(68,283)
Movement during the period		
- Issuance costs	-	-
- Manager's base fees paid in units	-	673
- Manager's performance fees paid in units	266	-
<b>Balance as at end of the period</b>	<b>(77,627)</b>	<b>(67,610)</b>
<b>FOREIGN CURRENCY TRANSLATION RESERVE</b>		
Balance as at beginning of the period	(16,597)	(75,280)
Translation differences relating to financial statements of foreign subsidiaries	6,900	16,623
<b>Balance as at end of the period</b>	<b>(9,697)</b>	<b>(58,657)</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>753,820</b>	<b>736,194</b>

	<b>ECW</b>	
	<b>1.1.22 to 31.3.22</b>	<b>1.1.21 to 31.3.21</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>OPERATIONS</b>		
Balance as at beginning of the period	(20,880)	(20,321)
Total return after tax	33,090	(964)
Distributions to unitholders	(12,442)	(11,499)
<b>Balance as at end of the period</b>	<b>(232)</b>	<b>(32,784)</b>
<b>UNITHOLDERS' CONTRIBUTION</b>		
Balance as at beginning of the period	(77,893)	(68,283)
Movement during the period		
- Manager's base fees paid in units	-	673
- Manager's performance fees paid in units	266	-
<b>Balance as at end of the period</b>	<b>(77,627)</b>	<b>(67,610)</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>(77,859)</b>	<b>(100,394)</b>

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
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**1(d)(ii) Details of Any Change in Units**

		<b>Group and ECW</b>	
		<b>1.1.22 to 31.3.22</b>	<b>1.1.21 to 31.3.21</b>
		<b>Units</b>	<b>Units</b>
Balance as at beginning of period	Note	809,491,511	805,843,981
- Manager's fees paid in units		346,736	938,534
<b>Issued units as at the end of period</b>		<b>809,838,247</b>	<b>806,782,515</b>
Units to be issued	(1)		
- Manager's fees payable in units for 1.1.21 to 31.3.21		-	1,014,284
<b>Total issued and to be issued units</b>		<b>809,838,247</b>	<b>807,796,799</b>

**Note**

- (1) These are units to be issued to the Manager as payment for its base fees and performance fees at an issue price which is computed based on the 10 business day volume-weighted average price of ECW traded on the SGX-ST.

The Manager received 100% of its base fee and performance fee in the form of units for the period from the Listing Date to 31 December 2017 as stated in the Prospectus (pages 32 and 119). Subsequently, the Manager may elect to receive base fee and performance fee in cash or Units or a combination of cash and Units (as it may in its sole discretion determine) from 2018. The Manager has elected to receive 100% of its base fee in the form of cash for the period from 1 January 2022 to 31 March 2022.

- 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 audited financial statement for the financial year ended 31 December 2021.

**EC WORLD REAL ESTATE INVESTMENT TRUST ("ECW")**  
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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

Not applicable.

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

	Notes	Group	
		1.1.22 to 31.3.22	1.1.21 to 31.3.21
Weighted average number of units as at end of period		809,495,364	805,854,409
Earnings per unit ("EPU") - Basic and Diluted (cents)	(1)	0.91	1.85
Number of units entitled to distribution		809,838,247	806,782,515
Distribution per unit ("DPU") (cents)	(2)	1.383	1.532
Distribution per unit ("DPU") (cents) - Annualised		5.609	6.213

**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 1.383 cents per unit for period from 1 January 2022 to 31 March 2022 will be paid on or around 29 June 2022.

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

	As at 31.3.22	As at 31.12.21
NAV / NTA of Group - attributable to Unitholders (S\$'000)	753,820	751,753
NAV / NTA of REIT (S\$'000)	(77,859)	(98,773)
Number of units outstanding as at end of each period ('000)	809,838	809,492
<b>Group's net asset value per unit (S\$)</b>	<b>0.93</b>	<b>0.93</b>
<b>REIT's net asset value per unit (S\$)</b>	<b>(0.10)</b>	<b>(0.12)</b>

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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
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**8. Review of the Performance**

**(i) Review of performance for the quarter ended 31 March 2022**

Gross revenue of S\$32.2 million was S\$1.3 million or 4.4% higher compared to 1Q2021. Net property income (“NPI”) of S\$29.7 million was S\$2.1 million or 7.4% higher compared to 1Q2021. In RMB terms, the gross revenue and NPI were 0.7% and 3.7% higher respectively compared to 1Q2021. After straight-line, rental security deposit accretion and other relevant distribution adjustments, gross revenue in RMB terms was 1.3% higher compared to 1Q2021, mainly due to organic rental escalations and Late Fee income. NPI in RMB terms was 4.4% higher, mainly due to lower operating expenses at the Properties.

Finance costs of S\$9.8 million were S\$0.1 million or 1.5% higher compared to 1Q2021 mainly due to higher interest rate in the quarter compared to 1Q2021.

Distribution to Unitholders of S\$11.2 million represents S\$1.2 million or 9.4% decrease compared to 1Q2021 mainly due to withholding tax paid for repatriation of funds and provision for Pre-Termination Compensation made to the third-party tenant at Fu Zhuo Industrial as a result of Compulsory Expropriation.

**9. Variance between the forecast**

ECW did not disclose any financial forecast to the market.

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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
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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**

In the first quarter of 2022, China’s economy grew 4.8% year-on-year, or 1.3% over 4Q2021. While the momentum of growth was stable, the domestic and international environment had become increasingly uncertain.<sup>2</sup> In March 2022, impacted by strict lockdowns across many cities in China, retail sales plunged to their lowest since the start of the pandemic<sup>3</sup>. Supply chains are heavily impacted as containers are left unattended at ports and trucking fleet as well as its drivers are held up due to a web of quarantine control<sup>4</sup>. In addition, suspension of business operations and production are expected to disrupt the logistics sector significantly<sup>5</sup>.

As COVID outbreak and the war in Ukraine put a toll on China’s economy, the Chinese Government pledged to set up policy support to boost demand and spur growth. China’s economic growth target of 5.5% has been seen as sanguine by many bank economists. The International Monetary Fund cut China’s 2022 growth forecast to 4.4%. While China’s fiscal and monetary policies may provide some respite for its economy, the state of the world’s economy will have future impact on Chinese economy.<sup>6,7</sup> As at 31 March 2022, ECW’s portfolio of eight properties has a weighted average occupancy of 98.6% and a weighted average lease to expiry (“WALE”) of 2.4 years (by gross rental income). Excluding Fu Zhuo Industrial, portfolio occupancy remains at 98.6% with a WALE of 2.3 years (by gross rental income). While ECW’s portfolio has not been materially affected by the recent lockdowns in China, the Manager is cautiously monitoring the situation in China closely and will provide prompt updates in the event of any material impact resulting from the lockdowns on the REIT’s portfolio.

On 9 March 2022, the Manager announced that EC World REIT had entered into an Expropriation Agreement with the PRC authorities in relation to the Compulsory Expropriation of Fu Zhuo Industrial. Under the terms of the Expropriation Agreement, the PRC authorities will provide a Compensation Package amounting to RMB108.5 million. As at 31 March 2022, ECW has received 30% of the Compensation Package. The proposed utilization of the proceeds from the Compensation Package will include the following (i) compensation to the third-party tenant; (ii) payment of taxes in relation to the compensation package; and (iii) partial payment of existing borrowings subject to lenders’ approval. The Manager is currently negotiating the pre-termination compensation (the “Pre-Termination Compensation”) with the third-party tenant and has made a provision of RMB19.2 million (or approximately S\$4.1 million). Based on 30% of the compensation package received in 1Q2022, ECW has recognized 30% of the Pre-termination Compensation (~RMB5.76 million) accordingly for distribution purpose. The balance of the provision for Pre-Termination Compensation will be recognized upon receipt of the remaining Compensation Package.

Bulk of ECW’s term loans are due for repayment in May and July 2022. The Manager is in the final stage of negotiation for the refinancing of the term loans due in 2022 and will update the investing community of developments.

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<sup>2</sup> [http://www.stats.gov.cn/english/PressRelease/202204/t20220418\\_1829688.html](http://www.stats.gov.cn/english/PressRelease/202204/t20220418_1829688.html)

<sup>3</sup> <https://www.straitstimes.com/asia/east-asia/retail-sales-down-unemployment-up-as-china-reports-48-per-cent-growth-in-q1>

<sup>4</sup> <https://www.bloomberg.com/news/articles/2022-04-22/shanghai-s-virus-outbreak-extends-waiting-times-for-containers>

<sup>5</sup> <https://fortune.com/2022/04/19/china-covid-lockdown-cripple-global-supply-chain/>

<sup>6</sup> <https://www.reuters.com/world/china/china-step-up-policy-adjustments-steady-economy-2022-04-29/>

<sup>7</sup> <https://www.cnbc.com/2022/04/26/investment-banks-slash-china-growth-outlook-one-puts-gdp-below-4percent.html>

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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

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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 2022 to 31 March 2022

Distribution types: Tax-exempt distribution

Distribution rate: 1.383 cents per unit

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

Remarks: The distribution to Unitholders is based on 100% of the distributable income for the period from 1 January 2022 to 31 March 2022.

**(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 1.532 cents per unit was declared for the period from 1 January 2021 to 31 March 2021.

**(c) Date Payable (est.)** 29 June 2022

**(d) Record Date** 15 June 2022

**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 2022 to 31 March 2022.

**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**

	<b>Group</b>			
	<b>1.1.22 to 31.3.22</b>		<b>1.1.21 to 31.3.21</b>	
	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>
<b>Gross revenue</b>				
- Port logistics	13,510	42.0	12,723	41.3
- Specialised logistics	3,287	10.2	3,366	10.9
- E-commerce logistics	15,354	47.8	14,713	47.8
	32,151	100.0	30,802	100.0
<b>Net property income</b>				
- Port logistics	12,762	42.9	11,901	43.0
- Specialised logistics	2,944	9.9	3,054	11.0
- E-commerce logistics	14,028	47.2	12,724	46.0
	29,734	100.0	27,679	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**

	<b>Group</b>		
	<b>1.1.22 to 31.3.22</b>	<b>1.1.21 to 31.3.21</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<u>First half of the year</u>			
Gross revenue	32,151	30,802	4.4
Net property income	29,734	27,679	7.4

Please refer to Item 8 for review of actual performance.

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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
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**17. Breakdown of total distribution for the financial period ended 31 March 2022**

In respect of the period:  
 1 January 2021 to 31 March 2021  
 1 January 2022 to 31 March 2022  
*(Payable on or around 29 June 2022)*

<b>Group</b>	
<b>1.1.22 to 31.3.22</b>	<b>1.1.21 to 31.3.21</b>
<b>S\$'000</b>	<b>S\$'000</b>
-	12,361
11,200	-
11,200	12,361

**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 2022:

- (a) ECW will declare a distribution which is classified as tax-exempt distribution from a tax perspective, being derived from the consolidated net profit after tax of ECW and its subsidiaries for the financial period, as adjusted to eliminate the effects of adjustments as listed in Item 1(a)(9).

ECW's distribution policy is to distribute 100% of ECW's distributable income for the period from the Listing Date to 31 December 2017. Thereafter, ECW will distribute at least 90% of its distributable income for each financial year. The actual distribution will be determined at the Manager's discretion. For 1Q2022, the Manager has resolved to distribute 100% of the total amount available for distribution to Unitholders.

- (b) The Manager is satisfied on reasonable ground that, immediate after making the distributions, ECW will be able to fulfill, from its deposited properties, its liabilities as they fall due.

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**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)  
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

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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 2022, 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.

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 2022