
**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**

INTRODUCTION

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

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

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

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

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

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Summary Results of ECW

		Group					
		1.7.21 to 30.9.21	1.7.20 to 30.9.20	Change	1.1.21 to 30.9.21	1.1.20 to 30.9.20	Change
Notes		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	(1)	31,556	28,455	10.9	93,545	80,194	16.6
Net property income	(1)	28,595	26,131	9.4	84,212	73,104	15.2
Distribution to Unitholders		13,439	11,172	20.3	38,175	31,612	20.8
Distribution per unit ("DPU") (cents)	(2)	1.662	1.388	19.7	4.726	3.932	20.2
Annualised distribution yield (%)							
- Based on share price of S\$0.80 per unit as at 30 September 2021		8.24	8.12	1.5	7.90	7.72	2.3

Notes:

- (1) The increase in gross revenue and net property income in 3Q2021 was mainly due to positive straight-line adjustments and strengthening of RMB by 5.2% year-on-year. After adjusting for effective rent, security deposit accretion and other relevant distribution adjustments in section 1(a)(7), gross revenue and net property income were S\$30.3 million and S\$27.4 million respectively in 3Q2021 (3Q2020: S\$28.6 million and S\$26.3 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 3Q2021, the Manager has resolved to distribute 95% of the total amount available for distribution to Unitholders. ECW will retain 5% of total amount available for distribution in 3Q2021 for withholding tax payment upon future profit repatriation. Please refer to section 1(a) for the distribution statement. The next distribution for the period from 1 July 2021 to 30 September 2021 will be made on or around 29 December 2021.

Distribution and Record Date

Distribution	1 July 2021 to 30 September 2021
Distribution type	Tax-exempt distribution
Distribution rate	1.662 cents
Record date	7 December 2021
Payment date (est)	29 December 2021

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

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1(a) Statement of Total Return and Distribution Statement

<u>Statement of Total Return</u>		Group					
		1.7.21 to 30.9.21	1.7.20 to 30.9.20	Change	1.1.21 to 30.9.21	1.1.20 to 30.9.20	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
	Notes						
Gross revenue	(1)	31,556	28,455	10.9	93,545	80,194	16.6
Property expenses	(2)	(2,961)	(2,324)	27.4	(9,333)	(7,090)	31.6
Net property income		28,595	26,131	9.4	84,212	73,104	15.2
Finance income		528	662	(20.2)	1,675	1,371	22.2
Finance costs		(10,011)	(9,721)	3.0	(29,633)	(29,208)	1.5
Manager's management fees	(3)						
- Base fees		(1,489)	(1,292)	15.2	(4,154)	(3,626)	14.6
Trustee's fees		(86)	(84)	2.4	(255)	(247)	3.2
Foreign exchange (loss)/gain	(4)	(822)	1,010	N/M	(2,303)	(1,393)	65.3
Other trust expenses	(5)	(235)	(378)	(37.8)	(846)	(1,159)	(27.0)
Net income		16,480	16,328	0.9	48,696	38,842	25.4
Net change in fair value of financial derivatives	(6)	2,490	(1,904)	N/M	7,668	(6,554)	N/M
Total return for the financial period before income tax		18,970	14,424	31.5	56,364	32,288	74.6
Income tax expenses		(5,230)	(5,759)	(9.2)	(17,234)	(14,183)	21.5
Total return for the financial period after income tax before distribution		13,740	8,665	58.6	39,130	18,105	>100
<u>Distribution statement</u>							
Total return for the financial period after income tax before distribution		13,740	8,665	58.6	39,130	18,105	>100
Distribution adjustments	(7)	406	3,618	(88.8)	334	16,342	(98.0)
Total amount available for distribution		14,146	12,283	15.2	39,464	34,447	14.6
Distribution to Unitholders		13,439	11,172	20.3	38,175	31,612	20.8

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 50% of its base fee in the form of units for the period from 1 July 2021 to 30 September 2021, and 100% of its base fee in the form of cash for the period from 1 October 2021 to 31 December 2021.

- (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.

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

	Group					
	1.7.21 to 30.9.21	1.7.20 to 30.9.20	Change	1.1.21 to 30.9.21	1.1.20 to 30.9.20	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Straight-lining of step-up rental	(419)	896	N/M	(1,166)	2,785	N/M
Security deposit accretion	(27)	(63)	(57.1)	(78)	(228)	(65.8)
Manager's base fees paid/payable in units	745	646	15.3	2,077	1,813	14.6
Trustee's fees	86	84	2.4	255	247	3.2
Deferred tax expense/(credit)	104	(224)	N/M	291	(703)	N/M
Fair value (gain)/loss on financial derivatives	(2,490)	1,904	N/M	(7,668)	6,554	N/M
Amortisation of upfront debt issuance costs	1,552	1,384	12.1	4,373	4,249	2.9
Foreign exchange loss/(gain), net (unrealised)	855	(1,009)	N/M	2,250	1,332	68.9
Provision of real estate tax	-	-	N/M	-	293	N/M
Total distribution adjustments	406	3,618	(88.8)	334	16,342	(98.0)

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1(b)(i) Balance Sheet

		Group		ECW	
		30.9.21	31.12.20	30.9.21	31.12.20
Notes		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
	Cash and cash equivalents	(1) 152,737	151,692	316	1,310
	Derivative financial assets	(2) 3	6	3	6
	Trade and other receivables	(3) 57,923	40,303	1,061	965
	Loans to subsidiaries	-	-	289,467	288,095
		210,663	192,001	290,847	290,376
Non-current assets					
	Investment properties	(4) 1,689,050	1,623,653	-	-
	Investment in subsidiaries	-	-	39,588	39,588
		1,689,050	1,623,653	39,588	39,588
Total assets		1,899,713	1,815,654	330,435	329,964
LIABILITIES					
Current liabilities					
	Trade and other payables	31,177	30,028	1,937	1,848
	Loans from a subsidiary	-	-	425,642	416,720
	Borrowings	(5) 703,468	91,047	-	-
	Derivative financial liabilities	(2) 5,868	13,506	-	-
	Current income tax liabilities	12,558	19,666	-	-
		753,071	154,247	427,579	418,568
Non-current liabilities					
	Borrowings	(5) 11,854	592,784	-	-
	Deferred income tax liabilities	(6) 296,434	285,084	-	-
	Trade and other payables	69,540	67,035	-	-
	Government grant	988	994	-	-
		378,816	945,897	-	-
Total liabilities		1,131,887	1,100,144	427,579	418,568
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		767,826	715,510	(97,144)	(88,604)
Represented by:					
	UNITHOLDERS' FUNDS	(7) 767,826	715,510	(97,144)	(88,604)

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Notes

- (1) Includes RMB195.1 million (S\$41.0 million) cash security deposits received from the master leases and cash deposits of RMB615.2 million (S\$129.4 million) placed as collateral for standby letter of credit (“SBLC”) issuance. Deposits were placed with Malayan Banking Berhad Shanghai Branch, United Overseas Bank (China) Limited and Bank of East Asia (China) Limited which have good credit rating.
- (2) This relates to the fair values of the derivative financial instruments entered into to hedge the various risks of ECW. As at 30 September 2021, the derivative instruments entered into were:
- Plain vanilla interest rate swaps (to hedge the interest rate of the Offshore Facility);
 - Cross currency swaps (to hedge the interest rate and foreign exchange rate of the Offshore Facility); and
 - Currency options contracts (to hedge the expected income repatriation from China to Singapore).
- (3) Increase in trade and other receivables is mainly due to appreciation of RMB and increase in rent and late rental payment penalty (“Late Fees”) receivables of \$15.7m. Rent receivables under master lease agreement overdue is subjected to a late payment interest of 0.03% per day. Rent receivables of \$14.4m as at 30 September 2021 was received in October 2021.
- (4) Represents the carrying values of the investment properties, including asset enhancement initiatives, effective rental adjustments and translation differences. The investment properties are pledged as security for the borrowings of ECW and its subsidiaries (collectively, the “Group”). The increase in carrying amount of investment properties was mainly due to strengthening of RMB against SGD. In view of the COVID-19 situation, the Board and Management expect variations in the asset valuation of the Properties.
- (5) Consists of term loan facilities drawn down in 3Q2019 and revolving credit facilities.
- Please refer to item 1(b)(ii) Aggregate Amount of Borrowings and Debt Securities for details.
- (6) Relates mainly to the deferred tax liability arising from the fair valuation of investment properties.
- (7) Please refer to item 1(d)(i) Statement of Changes in Unitholders’ Funds for details.
- (8) Notwithstanding the negative working capital of the Group, the financial statements are prepared on a going concern basis, as the Manager is confident that the outcome of negotiations with the financial institutions to refinance the borrowings will be favourable and will be completed before these borrowings become due for repayment.

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

	Group	
	30.9.21	31.12.20
	S\$’000	S\$’000
Secured borrowings		
Amount repayable in one year or less	707,541	91,191
Less: Unamortised debt issuance costs	(4,073)	(144)
	703,468	91,047
Amount repayable after one year	11,995	600,859
Less: Unamortised debt issuance costs	(141)	(8,075)
	11,854	592,784
Total borrowings	715,322	683,831

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Notes:

Details of Collaterals and Borrowings

The key terms of the onshore secured term loans facility (the “**Onshore Facility**”) and the offshore secured term loan facility (the “**Offshore Facility**”) are as follows:

(a) Onshore Facility

ECW has put in place 3-year RMB1,018.0 million (S\$214.2 million) and 10-year RMB77.0 million (S\$16.2 million) secured term loan facility.

The facility is secured by way of:

- i) a first ranking pledge over the entire issued equity interest of the Group’s subsidiary, Hangzhou Chongxian Port Logistics Co., Ltd. and Wuqiao Zhonggong Merlot (Hubei) Logistics Co., Ltd. and a first ranking pledge over 65.98% equity interests of Zhejiang Fuzhou E-Commerce Co., Ltd. held by Wuhan Fute Logistics Co., Ltd.;
- ii) an unconditional and irrevocable guarantee from the Onshore Guarantors on a joint and several basis, where the “Onshore Guarantors” refer to the Group’s subsidiaries Hangzhou Fu Zhuo Industrial Co., Ltd., Hangzhou Fu Heng Warehouse Co., Ltd., Hangzhou Chongxian Port Logistics Co., Ltd., Wuqiao Zhonggong Merlot (Hubei) Logistics Co., Ltd., Hangzhou Chongxian Port Investment Co., Ltd., Hangzhou Beigang Logistics Co., Ltd., Zhejiang Hengde Sangpu Logistics Co., Ltd., Zhejiang Fuzhou E-Commerce Co., Ltd., Wuhan Fute Logistics Co., Ltd., Jiayaoyingkai (Shanghai) Supply Chain Management Co., Ltd., and an unconditional and irrevocable guarantee from DBS Trustee Limited (in its capacity as Trustee of ECW);
- iii) a first ranking mortgage over the Properties;
- iv) a pledge of all sales proceeds, rental income and all other revenue derived from the Properties;
- v) an assignment of all material agreements in relation to the Properties;
- vi) an assignment of all insurance policies in relation to the Properties with the onshore security agent (being DBS Bank (China) Limited, Hangzhou Branch) named as the first beneficiary;
- vii) an assignment of all present and future rights and interests of the Onshore Borrowers (which consists of Hangzhou Chongxian Port Investment Co., Ltd., Hangzhou Bei Gang Logistics Co., Ltd., Zhejiang Hengde Sangpu Logistics Co., Ltd. and Zhejiang Fuzhou E-commerce Co., Ltd.), Hangzhou Fu Zhuo Industrial Co., Ltd., Hangzhou Fu Heng Warehouse Co., Ltd., Hangzhou Chongxian Port Logistics Co., Ltd. and Wuqiao Zhonggong Merlot (Hubei) Logistics Co., Ltd. in relation to inter-company debts and shareholder’s loans;
- viii) a subordination deed in relation to the inter-company debts and shareholder’s loans made to the Onshore Borrowers; and
- ix) any other security as may be reasonably required by the lenders.

The blended all-in interest rate for the quarter and 9 months ended 30 September 2021 was 6.8%. The blended all-in running interest rate for the quarter and 9 months ended 30 September 2021 was 5.8%.

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(b) Offshore Facility

ECW has 3-year S\$305.6 million and US\$86.8 million (S\$118.1 million) secured term loan facility secured by way of, *inter alia*:

- i) An unconditional and irrevocable guarantee from Fullwealth Investment Pte. Ltd., Richwin Investment Pte. Ltd., Prorich Investment Pte. Ltd., Richport Investment Pte. Ltd., Magnasset Investment Pte. Ltd., JY Logistics Investment Pte. Ltd. and Realtime Assets Global Pte. Ltd. (the “Singapore Holding Companies”) and Flutric Investments Limited (the “BVI Holding Company”), and the Trustee (in its capacity as trustee of ECW) on a joint and several basis;
- ii) A charge over the entire issued share capital of each of the Singapore Holding Companies, the BVI Holding Company and ECW Treasure Pte. Ltd. (“ECWT”);
- iii) A pledge over the entire issued equity interest of each of Hangzhou Chongxian Port Investment Co., Ltd., Hangzhou Bei Gang Logistics Co., Ltd., Hangzhou Fu Zhuo Industrial Co., Ltd., Hangzhou Fu Heng Warehouse Co., Ltd., Zhejiang Hengde Sangpu Logistics Co., Ltd., Wuhan Fute Logistics Co., Ltd. and Zhejiang Fuzhou E-commerce Co., Ltd.;
- iv) A mortgage over each of the Properties and a floating mortgage over the assets of Zhejiang Fuzhou E-commerce Co., Ltd., in each case, securing the term loan facility of S\$39.1 million and US\$5.84 million; and
- v) A debenture over all the assets of the Trustee (in its capacity as trustee of ECW) relating to and/or in connection with the Properties, and debentures over all of the assets of each of the Singapore Holding Companies and ECWT.

The blended all-in interest rate for the quarter and 9 months ended 30 September 2021 was 4.9%. The blended all-in running interest rate for the quarter and 9 months ended 30 September 2021 was 4.0%. As at 30 September 2021, S\$300.0 million and US\$86.8 (S\$118.1 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 30 September 2021, ECW had drawn down a total of S\$107.9 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 RMB615.2 million (S\$129.4 million). The interest rates ranged from 1.2% to 1.7% per annum for the quarter and 9 months ended 30 September 2021.

The blended all-in interest rate of the aggregate facilities for the quarter and 9 months ended 30 September 2021 was 4.9%. The blended all-in running interest rate for the quarter and 9 months ended 30 September 2021 was 4.0% and 4.1% per annum respectively. At the end of the period, the Aggregate Leverage for the Group was 37.9% (31 December 2020: 38.1%) and the interest coverage ratio¹ was 2.91 times (31 December 2020: 2.62 times).

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

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1(c) Cash Flows Statement

		Group			
		1.7.21 to 30.9.21	1.7.20 to 30.9.20	1.1.21 to 30.9.21	1.1.20 to 30.9.20
		S\$'000	S\$'000	S\$'000	S\$'000
	Notes				
Cash Flows from Operating Activities					
Total return for the financial period					
		13,740	8,665	39,130	18,105
Adjustments for:					
-	Income tax	5,230	5,759	17,234	14,183
-	Interest income	(528)	(662)	(1,675)	(1,371)
-	Finance cost	10,011	9,721	29,633	29,208
-	Effect of straight lining of step-up rental	(419)	896	(1,166)	2,785
-	Effect of security deposits accretion	(806)	(764)	(2,367)	(2,317)
-	Fair value (gain)/loss on derivative instruments	(2,490)	1,904	(7,668)	6,554
-	Manager's base fees payable in units	745	646	2,077	1,813
-	Exchange loss/(gain)	855	(1,009)	2,250	1,332
Operating cash flow before working capital change		26,338	25,156	77,448	70,292
Changes in working capital:					
Trade and other receivables					
		(5,508)	6,516	(16,104)	(12,832)
Trade and other payables					
		(477)	(618)	(609)	(1,385)
Cash generated from operating activities		20,353	31,054	60,735	56,075
Interest received					
		528	662	1,675	1,371
Income tax paid (net)					
		(13,846)	(2,709)	(24,973)	(13,030)
Net cash generated from operating activities		7,035	29,007	37,437	44,416
Cash Flows from Financing Activities					
Repayment of bank borrowings					
	(1)	(22,472)	(36,169)	(53,078)	(40,676)
Distribution to Unitholders					
		(12,375)	(11,142)	(36,234)	(32,538)
Proceeds from bank borrowings					
	(1)	31,550	33,050	69,550	55,349
Interest paid					
		(7,362)	(7,314)	(21,961)	(21,606)
SBLC commission paid					
		(114)	(77)	(308)	(186)
Placements of deposits for SBLC facilities					
	(1)	(3,375)	974	(26,914)	(21,859)
Net cash used in financing activities		(14,148)	(20,678)	(68,945)	(61,516)
Net (decrease)/increase in cash and cash equivalents		(7,113)	8,329	(31,508)	(17,100)
Cash and cash equivalents at beginning of financial period		14,367	10,218	38,037	34,697
Effects of exchange rate changes on cash and cash equivalents		66	263	791	1,213
Cash and cash equivalents at the end of financial period		7,320	18,810	7,320	18,810
	(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:

	Group	
	30.9.21	30.9.20
	S\$'000	S\$'000
Cash and cash equivalents (as per Balance Sheet)	152,737	128,883
Less:		
- Interest reserves [#]	(15,981)	(15,654)
- Cash collateral for SBLC facilities	(129,436)	(94,419)
Cash and cash equivalents per consolidated statement of cash flows	7,320	18,810

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

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

	Group		Group	
	1.7.21 to 30.9.21	1.7.20 to 30.9.20	1.1.21 to 30.9.21	1.1.20 to 30.9.20
	S\$'000	S\$'000	S\$'000	S\$'000
OPERATIONS				
Balance as at beginning of the period	852,057	859,699	838,166	850,259
Total return after tax	13,740	8,665	39,130	18,105
Distributions to unitholders	(12,375)	(11,142)	(23,874)	(11,142)
Balance as at end of the period	853,422	857,222	853,422	857,222
GENERAL RESERVES				
Balance as at beginning of the period	20,907	15,709	20,907	15,709
Balance as at end of the period	20,907	15,709	20,907	15,709
UNITHOLDERS' CONTRIBUTION				
Balance as at beginning of the period	(79,247)	(69,580)	(68,283)	(49,974)
Movement during the period				
- Manager's base fees paid in units	609	651	2,005	2,441
- Distributions to unitholders	-	-	(12,360)	(21,396)
Balance as at end of the period	(78,638)	(68,929)	(78,638)	(68,929)
FOREIGN CURRENCY TRANSLATION RESERVE				
Balance as at beginning of the period	(40,698)	(109,996)	(75,280)	(132,069)
Translation differences relating to financial statements of foreign subsidiaries	12,833	24,513	47,415	46,586
Balance as at end of the period	(27,865)	(85,483)	(27,865)	(85,483)
Total Unitholders' funds as at end of the period	767,826	718,519	767,826	718,519

	ECW		ECW	
	1.7.21 to 30.9.21	1.7.20 to 30.9.20	1.1.20 to 30.9.20	1.1.20 to 30.9.20
	S\$'000	S\$'000	S\$'000	S\$'000
OPERATIONS				
Balance as at beginning of the period	(5,022)	(22,473)	(20,321)	(31,166)
Total return after tax	(1,109)	14,529	25,689	23,222
Distributions to unitholders	(12,375)	(11,142)	(23,874)	(11,142)
Balance as at end of the period	(18,506)	(19,086)	(18,506)	(19,086)
UNITHOLDERS' CONTRIBUTION				
Balance as at beginning of the period	(79,247)	(69,580)	(68,283)	(49,974)
Movement during the period				
- Manager's base fees paid in units	609	651	2,005	2,441
- Distributions to unitholders	-	-	(12,360)	(21,396)
Balance as at end of the period	(78,638)	(68,929)	(78,638)	(68,929)
Total Unitholders' funds as at end of the period	(97,144)	(88,015)	(97,144)	(88,015)

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

					Group and ECW			
					1.7.21 to 30.9.21	1.7.20 to 30.9.20	1.1.21 to 30.9.21	1.1.20 to 30.9.20
					Units	Units	Units	Units
Balance as at beginning of period				807,796,799	803,943,591	805,843,981	801,206,236	
- Manager's base fees paid in units				755,273	939,720	2,708,091	3,677,075	
Issued units as at the end of period				808,552,072	804,883,311	808,552,072	804,883,311	
Units to be issued								
- Manager's base fees payable in units for 1.7.21 to 30.9.21				939,439	-	939,439	-	
- Manager's base fees payable in units for 1.7.20 to 30.9.20				-	960,670	-	960,670	
Total issued and to be issued units				809,491,511	805,843,981	809,491,511	805,843,981	

Note

(1)

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 50% of its base fee in the form of units for the period from 1 July 2021 to 30 September 2021, and 100% of its base fee in the form of cash for the period from 1 October 2021 to 31 December 2021.

- 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 2020.

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5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change

Not applicable.

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

		Group			
Note		1.7.20 to 30.9.20	1.7.20 to 30.9.20	1.1.21 to 30.9.21	1.1.20 to 30.9.20
	Weighted average number of units as at end of period	807,805,008	803,964,020	806,824,838	802,707,108
(1)	Earnings per unit ("EPU") - Basic and Diluted (cents)	1.70	1.08	4.85	2.26
	Number of units entitled to distribution	808,552,072	804,883,311	808,552,072	804,883,311
(2)	Distribution per unit ("DPU") (cents)	1.662	1.388	4.726	3.932
	Distribution per unit ("DPU") (cents) - Annualised	6.594	5.522	6.319	5.252

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 1.662 cents per unit for period from 1 July 2021 to 30 September 2021 will be paid on or around 29 December 2021.

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

	As at 30.9.21	As at 31.12.20
NAV / NTA of Group - attributable to Unitholders (S\$'000)	767,826	715,510
NAV / NTA of REIT (S\$'000)	(97,144)	(88,604)
Number of units outstanding as at end of each period ('000)	808,552	805,844
Group's net asset value per unit (S\$)	0.95	0.89
REIT's net asset value per unit (S\$)	(0.12)	(0.11)

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8. Review of the Performance

(i) Review of performance for the quarter ended 30 September 2021

Gross revenue of S\$31.6 million was S\$3.1 million or 10.9% higher compared to 3Q2020. Net property income (“NPI”) of S\$28.6 million was S\$2.5 million or 9.4% higher compared to 3Q2020. In RMB terms, the gross revenue and NPI were 5.4% and 4.1% higher respectively compared to 3Q2020. After straight-line, security deposit accretion and other relevant distribution adjustments, gross revenue in RMB terms was 0.9% higher compared to 3Q2020, mainly due to organic rental escalations and Late Fee income. NPI in RMB terms was 0.9% lower, mainly due to higher operating expenses at the Properties.

Finance costs of S\$10.0 million were S\$0.3 million or 3.0% higher compared to 3Q2020 mainly due to loan agency fees paid in the quarter.

Distribution to Unitholders of S\$13.4 million represents S\$2.3 million or 20.3% increase compared to 3Q2020 mainly due to higher NPI and lower retention ratio of 5% compared to 9% in 3Q2020.

(ii) Review of performance for the 9 months ended 30 September 2021

Gross revenue of S\$93.5 million was S\$13.4 million or 16.6% higher compared to 9M2020. Net property income (“NPI”) of S\$84.2 million was S\$11.1 million or 15.2% higher compared to 9M2020. In RMB terms, the gross revenue and NPI were 12.0% and 10.6% higher respectively compared to 9M2020. After straight-line, security deposit accretion and other relevant distribution adjustments, the gross revenue and NPI in RMB terms were 7.2% and 4.9% higher respectively compared to 9M2020, mainly due to one-off rental rebates given to tenants in 9M2020 in efforts to mitigate the adverse impact of the COVID-19 situation on tenants’ operations.

Finance costs of S\$29.6 million were S\$0.4 million or 1.5% higher compared to 9M2020 mainly due to higher option premium and SBLC bank charges incurred.

Distribution to Unitholders of S\$38.2 million represents S\$6.6 million or 20.8% increase compared to 9M2020 mainly due to absence of rental rebates given in 1Q2020 and payout of distribution previously retained in 4Q2019, 1Q2020 and 2Q2020 (partial) in 2Q2021.

9. Variance between the forecast

ECW did not disclose any financial forecast to the market.

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10. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting and the next 12 months

For 3Q2021, China reported a gross domestic product (GDP) growth of 4.9% year-on-year. The National Bureau of Statistics of China noted that while the economic recovery momentum was maintained in the first three quarters of 2021, uneven and unstable domestic economic recovery remains with uncertainties in the international environment².

According to the preliminary estimates, GDP in the first three quarters increased 9.8% year-on-year to reach RMB82,313.1 billion yuan. Retail sales increased 16.4% year-on-year for the first nine months of 2021 with online retail sales increasing by 18.5%³. While exports in October 2021 surged 27% from a year ago, sluggish domestic demand, slow down in the real estate sector and the potential resurgence of COVID-19 may impede growth momentum^{4,5}.

On 17 May 2021, the Manager announced that ECW has been approached by Forchn International Pte. Ltd. in relation to a potential transaction involving ECW's interests in all of its properties, which may or may not lead to the divestment of these properties. At this juncture, other than what has been disclosed in the holding announcement, there has been no material developments. The Manager will make the relevant announcements on SGXNET in the event there are any material developments which warrant disclosure under the listing rules of the SGX-ST.

In ECW's condensed interim financial statements for the six months ended 30 June 2021 announced on 6 August 2021, the Manager indicated that the repair work for the displacement and collapse of a berth at Chongxian Port Investment was expected to start in end-August 2021. As the finalization of the design plan and the obtainment of the requisite approvals from the relevant authorities took longer than expected, the commencement of the repair work was delayed. Repair work has been scheduled to commence in end-November 2021. As Chongxian Port Investment is master leased to Hangzhou Fu Gang Supply Chain Co., Ltd, the delay in the repair work is not expected to have any material financial impact on ECW.

As at 30 September 2021, ECW's portfolio of eight properties has a healthy occupancy of 99.0% and a weighted average lease to expiry of 2.8 years (by gross rental income). In anticipation of the annual Singles Day e-commerce shopping fiesta, Wuhan Meiluote, an e-commerce property, secured a short-term lease for a period of three months from 1 October 2021, increasing the occupancy to 84.5% from 79.4% as at 30 September 2021. As at 31 October 2021, ECW's portfolio occupancy is 99.2%.

² South China Morning Post: <https://www.scmp.com/economy/china-economy/article/3152690/china-gdp-economic-recovery-stalls-growth-slows-49-cent-third>

³ National Bureau of Statistics of China: http://www.stats.gov.cn/english/PressRelease/202110/t20211018_1822968.html

⁴ CNN: China's economy is getting a boost from exports but it's not in the clear yet: <https://edition.cnn.com/2021/11/08/economy/china-trade-exports-economy-intl-hnk/index.html>

⁵ The Straits Times: China trade surplus can cushion but not stop slowdown: <https://www.straitstimes.com/business/economy/china-trade-surplus-can-cushion-but-not-stop-slowdown>

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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 July 2021 to 30 September 2021

Distribution types: Tax-exempt distribution

Distribution rate: 1.662 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 95% of the distributable income for the period from 1 July 2021 to 30 September 2021.

(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 1.388 cents per unit was declared for the period from 1 July 2020 to 30 September 2020.

(c) Date Payable (est.) 29 December 2021

(d) Record Date 7 December 2021

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 July 2021 to 30 September 2021.

13. If the Group has obtained a general mandate from Unitholders for Interested Person Transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If not IPT mandate has been obtained, a statement to that effect.

ECW does not have a general mandate from Unitholders for interested person transactions.

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14. Segmental results

	Group							
	1.7.21 to 30.9.21		1.7.20 to 30.9.20		1.1.21 to 30.9.21		1.1.20 to 30.9.20	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Gross revenue								
- Port logistics	13,350	42.3	11,124	39.1	39,194	41.9	31,293	39.0
- Specialised logistics	3,158	10.0	3,611	12.7	9,757	10.4	10,589	13.2
- E-commerce logistics	15,048	47.7	13,720	48.2	44,594	47.7	38,312	47.8
	31,556	100.0	28,455	100.0	93,545	100.0	80,194	100.0
Net property income								
- Port logistics	12,541	43.9	10,421	39.9	36,829	43.7	29,069	39.8
- Specialised logistics	2,857	10.0	3,233	12.4	8,742	10.4	9,520	13.0
- E-commerce logistics	13,197	46.1	12,477	47.7	38,641	45.9	34,515	47.2
	28,595	100.0	26,131	100.0	84,212	100.0	73,104	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		
	1.1.21 to 30.9.21	1.1.20 to 30.9.20	Change
	S\$'000	S\$'000	%
<u>First half of the year</u>			
Gross revenue	61,989	51,739	19.8
Net property income	55,617	46,973	18.4
<u>Second half of the year</u>			
Gross revenue	31,556	28,455	10.9
Net property income	28,595	26,131	9.4

Please refer to Item 8 for review of actual performance.

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17. Breakdown of total distribution for the financial period ended 30 September 2021

	Group	
	1.1.21 to 30.9.21	1.1.20 to 30.9.20
	S\$'000	S\$'000
In respect of the period:		
1 January 2020 to 31 March 2020	-	9,298
1 April 2020 to 30 June 2020	-	11,142
1 July 2020 to 30 September 2020	-	11,172
1 January 2021 to 31 March 2021	12,361	-
1 April 2021 to 30 June 2021	12,375	-
1 July 2021 to 30 September 2021 <i>(Payable on or around 29 December 2021)</i>	13,439	-
	38,175	31,612

18. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Board of Directors of the Manager hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

19. Certificate pursuant to Paragraph 7.3 of the Property Funds Appendix

The Manager hereby certifies that in relation to the distribution to the Unitholders for the quarter ended 30 September 2021:

- (a) ECW will declare a distribution which is classified as tax-exempt distribution from a tax perspective, being derived from the consolidated net profit after tax of ECW and its subsidiaries for the financial period, as adjusted to eliminate the effects of adjustments as listed in Item 1(a)(7).

ECW's distribution policy is to distribute 100% of ECW's distributable income for the period from the Listing Date to 31 December 2017. Thereafter, ECW will distribute at least 90% of its distributable income for each financial year. The actual distribution will be determined at the Manager's discretion. For 3Q2021, the Manager has resolved to distribute 95% 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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20. Confirmation pursuant to Rule 705(5) of Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render these unaudited interim financial statements of the Group and ECW (comprising the statement of financial position as at 30 September 2021, 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
9 November 2021