

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

Contents

	Page
Introduction	1
Summary Results of ECW	2
Consolidated Statement of Total Return	3
Statements of Financial Position - Group and ECW	6
Consolidated Distribution Statement	11
Consolidated Statement of Cash Flows	12
Statements of Movements in Unitholders' Funds - Group and ECW	15
Notes to the Condensed Interim Financial Statements	17
Additional Information and Other Information Required by Listing Rule Appendix 7.2	40

INTRODUCTION

EC World REIT (the “**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).

Note 1:

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 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 ECW (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**”). The equity purchase agreement was amended by the supplementary agreements dated 30 January 2023 and 9 July 2023 (the “**Equity Purchase Agreement**”). (Please refer to Note 10 for details).

Pursuant to the Equity Purchase Agreement, the long-stop date for the completion of the Proposed Divestment is 31 October 2023 or such other date as may be determined by the Vendor with the approval of the Monetary Authority of Singapore and the independent Unitholders (the “**Long-Stop Date**”). The Sponsor has not been able to obtain sufficient financing for the Proposed Divestment and hence the Sponsor and the Purchasers will not be able to complete the Proposed Divestment by the Long-Stop Date.

Summary Results of ECW

		Group					
		1.10.23 to 31.12.23	1.10.22 to 31.12.22	Change	1.1.23 to 31.12.23	1.1.22 to 31.12.22	Change
Notes		S\$'000	S\$'000	%	S\$'000	S\$'000	%
	Gross revenue	(1) 25,055	28,414	(11.8)	107,770	121,568	(11.4)
	Net property income	(1) 22,659	25,966	(12.7)	99,201	110,956	(10.6)
	Calculated Distribution to Unitholders	5,592	5,085	10.0	29,631	38,564	(23.2)
	Calculated Distribution per unit ("DPU") (cents)	(2) 0.690	0.628	9.9	3.659	4.762	(23.2)
	Annualised distribution yield (%)	9.78	5.60	74.6	13.07	10.70	22.1

- Based on share price of S\$0.28 per unit as at 28 August 2023
(S\$0.445 per unit as at 30 December 2022)

Notes:

- (1) Gross revenue and net property income for 4Q2023 were S\$25.1 million and S\$22.7 million respectively. After adjusting for effective rent, security deposit accretion and other relevant distribution adjustments in the Condensed Consolidated Distribution Statement, gross revenue and net property income were S\$26.3 million and S\$23.9 million respectively in 4Q2023 (4Q2022: S\$27.7 million and S\$25.2 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. Since ECW's first distribution on 28 November 2016 up to the period ending 31 December 2022, ECW had been making distributions on a quarterly basis. On 27 December 2022, the Manager had announced that ECW will make distributions on a half-yearly basis, in respect of the periods commencing on or after 1 January 2023.

10% of the total amount available for distribution was retained by ECW for its general working capital purpose for the financial period with effect from 1 January 2023.

As announced by the Manager on 27 September 2023, due to insufficient funds, ECW was not able to make its distribution to unitholders for the period from 1 January 2023 to 30 June 2023 which was to be paid on 28 September 2023. The payment of the distribution will be deferred to a future date when ECW has sufficient free cash for the said distribution.

There will be no distribution for 2H2023. As per the offshore facility agreement, permitted distribution means the payment of a dividend by ECW to any holder in accordance with the Trust Deed of ECW, provided that (a) no default is continuing or would occur immediately after the making of the payment; and (b) the borrowers under the offshore facility agreement are in compliance with the requirement in Clause 20 (Financial Covenant) whether before, on or after such payment. Based on ECW's current cash situation, ECW is not able to fulfil, from the deposited property of ECW, its liabilities as they fall due.

Please refer to the Condensed Consolidated Distribution Statement for the DPU computation.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

CONSOLIDATED STATEMENT OF TOTAL RETURN
For the six months and the twelve months ended 31 December 2023

Note	6 months	6 months	Change %	Group	12 months	Change %	Remark
	ended 31 December 2023 S\$'000	ended 31 December 2022 S\$'000		ended 31 December 2023 S\$'000	ended 31 December 2022 S\$'000		
Gross revenue	52,056	58,244	(10.6)	107,770	121,568	(11.4)	(1)
Property expenses	(4,649)	(5,227)	(11.1)	(8,569)	(10,612)	(19.3)	(2)
Net property income	47,407	53,017	(10.6)	99,201	110,956	(10.6)	
Finance income	769	946	(18.7)	1,662	1,997	(16.8)	
Finance costs	(23,771)	(21,804)	9.0	(46,615)	(41,856)	11.4	(3)
Manager's base fees	(1,606)	(2,253)	(28.7)	(3,658)	(4,606)	(20.6)	(4)
Trustee's fees	(142)	(158)	(10.1)	(294)	(327)	(10.1)	
Exchange differences	5,081	6,712	(24.3)	3,047	4,800	(36.5)	(5)
Other trust expenses	(746)	(538)	38.7	(2,072)	(1,132)	83.0	(6)
Net income	26,992	35,922	(24.9)	51,271	69,832	(26.6)	
Pre-termination compensation	-	-	N/M	-	(4,106)	N/M	(7)
Net change in fair value of investment properties	(606,750)	15,583	N/M	(606,750)	(38,859)	>100	(8)
Net change in fair value of financial derivatives	(2,170)	(758)	>100	(2,649)	5,820	N/M	(9)
Total (loss)/return for the period before income tax	(581,928)	50,747	N/M	(558,128)	32,687	N/M	
Income tax credit/(expenses)	7 121,324	(17,516)	N/M	108,854	(22,577)	N/M	
Total (loss)/return for the period after income tax before distribution	(460,604)	33,231	N/M	(449,274)	10,110	N/M	
Earnings per unit (cents)							
- Basic and diluted	8 (56.88)	4.10	N/M	(55.48)	1.25	N/M	(10)

The accompanying notes form an integral part of these condensed interim financial statements.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

CONSOLIDATED STATEMENT OF TOTAL RETURN
For the six months and the twelve months ended 31 December 2023

Remarks:

- (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) Finance costs comprise interest expenses on borrowings, amortisation of capitalised transaction costs and other financing fees.
- (4) 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.

- (5) Foreign exchange gain arises mainly from revaluation of loans in foreign currency.
- (6) Other trust expenses include professional fees and other non-property related expenses.
- (7) This relates to pre-termination compensation paid to third-party tenant resulting from the compulsory expropriation of Fu Zhuo Industrial in FY2022.
- (8) The investment properties were revalued on 31 December 2023 by Knight Frank Petty Ltd ("**Knight Frank**").
- (9) 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.

The accompanying notes form an integral part of these condensed interim financial statements.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

CONSOLIDATED STATEMENT OF TOTAL RETURN
For the six months and the twelve months ended 31 December 2023

(10) 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.

		<u>Group</u>		
	6 months ended 31 December 2023	6 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
Weighted average number of units as at end of period	809,838,247	809,838,247	809,838,247	809,753,700
Earnings per unit ("EPU") – Basic and Diluted (cents)	(56.88)	4.10	(55.48)	1.25

The accompanying notes form an integral part of these condensed interim financial statements.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENTS OF FINANCIAL POSITION - GROUP AND ECW
As at 31 December 2023

	Note	Group			ECW			Remark
		31 December 2023 S\$'000	31 December 2022 S\$'000	Change %	31 December 2023 S\$'000	31 December 2022 S\$'000	Change %	
ASSETS								
Current assets								
Cash and bank balances ⁽¹⁾		100,964	113,330	(10.9)	106	1,494	(92.9)	(1)
Trade and other receivables ⁽²⁾		91,652	14,293	>100	3,478	1,203	>100	(2)
Derivative financial instruments ⁽³⁾		-	1,857	N/M	-	-	N/M	(3)
Loans to subsidiaries		-	-	N/M	241,572	241,556	(0.0)	
		<u>192,616</u>	<u>129,480</u>	48.8	<u>245,156</u>	<u>244,253</u>	(0.4)	
Assets of disposal group classified as held-for-sale ⁽⁴⁾	10	-	460,424	N/M	-	-	N/M	(4)
		<u>192,616</u>	<u>589,904</u>	(67.3)	<u>245,156</u>	<u>244,253</u>	(0.3)	
Non-current assets								
Investment properties ⁽⁵⁾	9	805,629	1,076,874	(25.2)	-	-	N/M	(5)
Investments in subsidiaries		-	-	N/M	39,588	39,588	(0.0)	
		<u>805,629</u>	<u>1,076,874</u>	(25.2)	<u>39,588</u>	<u>39,588</u>	(0.0)	
Total assets		<u>998,245</u>	<u>1,666,778</u>	(40.1)	<u>284,744</u>	<u>283,841</u>	(0.3)	
LIABILITIES								
Current liabilities								
Trade and other payables		123,896	55,258	>100	23,362	2,820	>100	
Loans from subsidiaries		-	-	N/M	348,130	372,420	(6.5)	
Borrowings ⁽⁶⁾	11	559,079	593,136	(5.7)	-	-	N/M	(6)
Derivative financial instruments ⁽³⁾		1,879	1,099	71.0	-	-	N/M	(3)
Current income tax liabilities		34,539	13,497	>100	-	-	N/M	
		<u>719,393</u>	<u>662,990</u>	8.5	<u>371,492</u>	<u>375,240</u>	(1.0)	
Liabilities directly associated with disposal group classified as held-for-sale ⁽⁴⁾	10	-	161,053	N/M	-	-	N/M	(4)
		<u>719,393</u>	<u>824,043</u>	(12.7)	<u>371,492</u>	<u>375,240</u>	(1.0)	
Non-current liabilities								
Trade and other payables		61,499	40,929	50.3	-	-	N/M	
Deferred income tax liabilities ⁽⁷⁾		121,741	193,975	(36.8)	-	-	N/M	(7)
Government grant		751	837	(10.3)	-	-	N/M	
		<u>183,991</u>	<u>235,741</u>	(22.0)	<u>-</u>	<u>-</u>	N/M	
Total liabilities		<u>903,384</u>	<u>1,059,784</u>	(14.8)	<u>371,492</u>	<u>375,240</u>	(1.0)	

The accompanying notes form an integral part of these condensed interim financial statements.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENTS OF FINANCIAL POSITION - GROUP AND ECW
As at 31 December 2023

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>94,861</u>	606,994	(84.4)	<u>(86,748)</u>	(91,399)	(5.1)
Represented by:							
UNITHOLDERS' FUNDS		<u>94,861</u>	606,994	(84.4)	<u>(86,748)</u>	(91,399)	(5.1) (8)
UNITS IN ISSUE ('000)	12	809,838	809,838	-	809,838	809,838	-
NET ASSET VALUE PER UNIT (S\$)		<u>0.12</u>	0.75	(84.0)	<u>(0.11)</u>	(0.11)	-

Remarks:

- (1) Includes RMB195.1 million (S\$36.2 million) cash security deposits received from the master leases and cash deposits of RMB474.9 million (S\$88.2 million) placed as collateral for standby letter of credit (“**SBLC**”) issuance. As at 31 December 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) Increase in trade and other receivables is mainly due to increase in rent receivables offset by collection from related party leases (including master lease agreements) during the year. The master lease agreements are secured by the cash security deposit of RMB345.1 million (S\$64.1 million). Under the master lease agreements, the overdue rent receivables are subjected to a late payment interest of 0.03% per day. As of 31 December 2023, the balance 30% of compensation of RMB32.6m (S\$6.0 million) for the compulsory expropriation Fu Zhuo Industrial remains outstanding. The management is exploring various options including divestment of Fu Zhuo Industrial to recover the outstanding receivables.

As of 31 December 2023, the overdue rent receivables owing to ECW and its subsidiaries (collectively, the “**ECW Group**”) by the Sponsor and its subsidiaries (collectively, the “**Sponsor Group**”) has exceeded RMB289.1 million (S\$53.7 million). Of the outstanding rent receivables, RMB224.7 million represents the rent payable pursuant to master leases between the Sponsor Group (as master lessee) and the ECW Group (as master lessor), while the balance RMB64.4 million represents the rent payable by the Sponsor Group pursuant to other related party leases. The Manager has been in regular dialogue with the Sponsor Group to demand for payment of outstanding rental receivables from the related party lessees (including master lessees) with little success due to severe financial difficulties faced by the Sponsor Group. As there has been no repayment plan provided by the Sponsor Group, the Manager has assessed that there is a high risk of non-collection of the outstanding rent receivables. As at 31 December 2023, the outstanding rent receivables due from the Sponsor Group can be fully covered by the security deposit amount paid by the master lessees, hence no provision for bad debts was made. The ECW Group will monitor the collection status of the outstanding rent receivables and provide provision on a needed basis.

The accompanying notes form an integral part of these condensed interim financial statements.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENTS OF FINANCIAL POSITION - GROUP AND ECW
As at 31 December 2023

- (3) This relates to the fair values of the derivative financial instruments entered into to hedge the various risks of ECW. As at 31 December 2023, the derivative instruments entered into were:
- (a) Plain vanilla interest rate swaps (to hedge the interest rate of the Offshore Facility); and
 - (b) Cross currency swaps (to hedge the interest rate and foreign exchange rate of the Offshore Facility)
- (4) This relates to the Divestment Properties. Please refer to Note 10 for details.
- (5) Represents the year end fair value of the investment properties based on the valuation as at 31 December 2023 conducted by Knight Frank. The investment properties were pledged as security for the borrowings of ECW and its subsidiaries (collectively, the “**Group**”). The decrease in carrying value of the investment properties was mainly due to fair value loss and weakening of RMB against SGD. In RMB terms, the valuation as at 31 December 2023 was 43% lower at RMB4,336 million compared to the valuation of RMB7,604 million as at 31 December 2022.
- (6) Consists of revolving credit facilities and term loan facilities drawn down in 3Q2019 which had been refinanced in May 2023. The decrease in borrowings was mainly due to repayment of onshore loan of RMB102.8 million (S\$19.9 million), offshore SGD loan of S\$39.4 million, offshore USD loan of US\$ 6.9 million (S\$9.2 million). Please refer to Note 11 for details.
- (7) Relates mainly to the deferred tax liability arising from the fair valuation of investment properties. The decrease was mainly due to the fair value loss and weakening of RMB against SGD.
- (8) Please refer to Condensed Statements of Movements in Unitholders’ Funds for details.
- (9) As at 31 December 2023, the current liabilities of the Group and ECW exceeded the current assets by S\$526,777,000 and S\$126,336,000 respectively. The Group has borrowings of S\$563,154,000 which are due for repayment within the next 12 months from the reporting date.

As announced by the Manager on 28 August 2023, the Manager has assessed that there is a high risk of non-collection of the outstanding rent receivables. Please refer to Statements of Financial Position note 2 for details. As more than 80% of the revenue of the ECW Group comes from rental income pursuant to related party leases with the Sponsor Group, accordingly, if the Sponsor Group does not pay a sufficient amount of the rent receivables going forward, the ECW Group will be unable to maintain its operating and financing requirements.

The accompanying notes form an integral part of these condensed interim financial statements.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENTS OF FINANCIAL POSITION - GROUP AND ECW
As at 31 December 2023

As announced by the Manager on 30 August 2023 and 4 September 2023, the ECW Group would not be able to fully repay the offshore interest due on 31 August 2023, the facilities agent agreed to the Manager's request to release part of the offshore interest reserve of SGD2.1 million and USD1.0 million (S\$1.3 million) in order to fully repay the offshore loan interest expenses.

Pursuant to the terms of the offshore facilities, the interest reserve must be topped up by the ECW Group within five business days of such release. The breach of this requirement would result in an event of default pursuant to the offshore facilities and also triggers a cross-default under the existing onshore facilities of the ECW Group. The Board has decided to continue the suspension of the trading of the units on a voluntary basis in view of the above developments.

As announced by the Manager on 12 September 2023, the Manager had requested for an extension of the deadline to top up the offshore interest reserve and had also requested that the relevant lenders under the facilities not accelerate the facilities or require any mandatory prepayment to be made as a result of the suspension of trading in the Units. As at the date of this announcement, the relevant lenders under the facilities are in the process of reviewing the Manager's requests.

As announced by the Manager on 21 September 2023, approximately RMB11.3 million of the onshore interest reserve has been released and used to fully repay the ECW Group's onshore interest expenses due on 20 September 2023. As the onshore facilities do not specify the deadline by which the onshore interest reserve must be topped up, this timing is currently subject to ongoing discussions between the onshore lenders under the onshore facilities and the ECW Group.

Subsequent to above, RMB11.2 million of the onshore interest reserve, SGD6.4 million and USD2.1 million of the remaining offshore interest reserve were further utilised on 20 December 2023, 31 October 2023 and 31 January 2024 to settle part of the interest expenses due then.

As announced by the Manager on 27 September 2023, due to insufficient funds, ECW was not able to make its distribution to unitholders for the period from 1 January 2023 to 30 June 2023 which was to be paid on 28 September 2023. The payment of the distribution will be deferred to a future date when the ECW has sufficient free cash for the distribution.

Notwithstanding, the financial statements are prepared on a going concern basis as the Manager has undertaken the following steps:

- (1) commenced the novation process to take over underlying leases from the master leases and other related party leases due to long overdue rent receivables by the Sponsor and its subsidiaries;

The accompanying notes form an integral part of these condensed interim financial statements.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENTS OF FINANCIAL POSITION - GROUP AND ECW
As at 31 December 2023

- (2) appointing independent consultants to evaluate the market rental of the assets being leased under the master leases for the purpose of formulating a new leasing strategy for these assets;
- (3) appointing two independent consultants to evaluate the possibility of divesting one or more properties of the ECW Group (including but not limited to the divestment properties) to third parties via open market sales, in order to enable ECW Group to meet its relevant mandatory prepayment obligations under the facilities;
- (4) appointing financial adviser to explore various options to ECW to address its ongoing challenges; and
- (5) working with the lenders to explore the possibility of restructuring of the existing onshore and offshore facilities (the “**Restructuring**”).

Should these steps fail to address the above-mentioned circumstances arose from the delay in collection of related party rent receivables and the non-completion of the Proposed Divestment, ECW Group may have insufficient funds to maintain its operations and would not be able to prepare its financial statements on a going concern basis. If the Group and ECW are unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts currently stated in the Statements of Financial Position of the Group and ECW. In addition, the Group and ECW may have to provide for further liabilities which may arise, and to classify the non-current assets as current assets. The accompanying financial statements do not include the effect of any of these adjustments.

The accompanying notes form an integral part of these condensed interim financial statements.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

CONSOLIDATED DISTRIBUTION STATEMENT

For the six months and the twelve months ended 31 December 2023

	6 months ended 31 December 2023 S\$'000	Group		12 months ended 31 December 2022 S\$'000
		6 months ended 31 December 2022 S\$'000	12 months ended 31 December 2023 S\$'000	
Total (loss)/return for the period	(460,604)	33,231	(449,274)	10,110
Adjustment for net effect of non-tax (chargeable)/deductible items and other adjustments				
- Straight lining of step-up rental	2,236	(19)	2,720	(229)
- Security deposits accretion	102	28	206	56
- Trustee's fees	143	158	294	327
- Net change in fair value on investment properties	606,750	(15,583)	606,750	37,588
- Deferred tax (credit)/charge, net	(133,258)	5,142	(133,379)	(3,073)
- Net change in fair value of financial derivatives	2,170	758	2,649	(5,820)
- Amortisation of upfront debt issuance costs	2,698	2,794	5,368	5,699
- Foreign exchange (gain)/loss, net	(5,140)	(6,761)	(3,057)	(4,966)
- Pre-termination compensation	-	-	-	1,232
- Provision of withholding tax	(546)	628	744	628
- Write-back provision for doubtful receivables	(98)	(102)	(98)	(102)
- Others	-	1	-	2
	475,057	(12,956)	482,197	31,342
Amount available for distribution	14,453	20,275	32,923	41,452
Calculated Distribution to Unitholders	13,008	16,131	29,631	38,564
Number of units entitled to distribution	809,838,247	809,838,247	809,838,247	809,838,247
Distribution per Unit (cents)	1.606	1.992	3.659	4.762
Annualised Distribution per Unit (cents)	3.186	3.952	3.659	4.762

The accompanying notes form an integral part of these condensed interim financial statements.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months and the twelve months ended 31 December 2023

Remarks:

- (1) Refer to Note 11 for details.
- (2) For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	<u>Group</u>	
	31 December 2023	31 December 2022
	S\$'000	S\$'000
Cash and bank balances (Including disposal group)	100,964	158,466
Less:		
- Interest reserves [#]	(5,547)	(16,368)
- Escrow Account*	-	(38,660)
- Cash collateral for SBLC facilities	(88,237)	(97,103)
Cash and cash equivalents per Consolidated Statement of Cash Flows	7,180	6,335

[#] Bank deposits maintained as interest reserves, as required by the offshore facility and onshore facility agreements. During the year, approximately SGD4.9 million, USD1.9 million (S\$2.5 million) and RMB22.5 million (S\$4.2 million) of the offshore and onshore interest reserve have been released and used to repay the ECW Group's offshore and onshore interest expenses due on 31 August 2023, 20 September 2023, 31 October 2023 and 20 December 2023.

* 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 ("**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. The aggregated outstanding amount of the margin deposits of RMB11.2 million was remitted to Singapore and used to repay the Offshore loan of S\$2.1 million on 18 October 2023.

The accompanying notes form an integral part of these condensed interim financial statements.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months and the twelve months ended 31 December 2023

- (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.

The accompanying notes form an integral part of these condensed interim financial statements.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS - GROUP AND ECW
For the six months and the twelve months ended 31 December 2023

	<u>Group</u>		<u>ECW</u>	
	6 months ended 31 December 2023 S\$'000	6 months ended 31 December 2022 S\$'000	6 months ended 31 December 2023 S\$'000	6 months ended 31 December 2022 S\$'000
OPERATIONS				
Beginning of the period	785,711	772,222	(688)	8,462
Total (loss)/return for the period	(460,604)	33,231	10,383	45
Distributions to unitholders	(18,816)	(22,279)	(18,816)	(22,279)
Transfer to general reserves	(5,450)	(5,897)	-	-
End of the period	300,841	777,277	(9,121)	(13,772)
GENERAL RESERVES*				
Beginning of the period	33,155	27,258	-	-
Transfer from operations	5,450	5,897	-	-
End of the period	38,605	33,155	-	-
UNITHOLDERS' CONTRIBUTION				
Beginning of the period	(77,627)	(77,627)	(77,627)	(77,627)
End of the period	(77,627)	(77,627)	(77,627)	(77,627)
FOREIGN CURRENCY TRANSLATION RESERVE				
Beginning of the period	(161,344)	(43,144)	-	-
Translation differences on consolidation of foreign subsidiaries	(5,614)	(82,667)	-	-
End of the period	(166,958)	(125,811)	-	-
Total Unitholders' funds at end of the period	94,861	606,994	(86,748)	(91,399)

The accompanying notes form an integral part of these condensed interim financial statements.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS - GROUP AND ECW
For the six months and the twelve months ended 31 December 2023

	<u>Group</u>		<u>ECW</u>	
	<u>12 months ended 31 December 2023</u>	<u>12 months ended 31 December 2022</u>	<u>12 months ended 31 December 2023</u>	<u>12 months ended 31 December 2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
OPERATIONS				
Beginning of the year	777,277	818,988	(13,772)	(20,880)
Total (loss)/return for the year	(449,274)	10,110	26,363	53,029
Distribution to Unitholders	(21,712)	(45,921)	(21,712)	(45,921)
Transfer to general reserves	(5,450)	(5,900)	-	-
End of the year	300,841	777,277	(9,121)	(13,772)
GENERAL RESERVES*				
Beginning of the year	33,155	27,255	-	-
Transfer from operations	5,450	5,900	-	-
End of the year	38,605	33,155	-	-
UNITHOLDERS' CONTRIBUTION				
Beginning of the year	(77,627)	(77,893)	(77,627)	(77,893)
Movements during the year				
- Distribution to Unitholders	-	266	-	266
End of the year	(77,627)	(77,627)	(77,627)	(77,627)
FOREIGN CURRENCY TRANSLATION RESERVE				
Beginning of the year	(125,811)	(16,597)	-	-
Translation differences on consolidation of foreign subsidiaries	(41,147)	(109,214)	-	-
End of the year	(166,958)	(125,811)	-	-
Total Unitholders' funds at end of the year	94,861	606,994	(86,748)	(91,399)

* ECW's subsidiaries incorporated in the People Republic of China are required to transfer 10% of its profits after taxation, as determined under the accounting principles and relevant financial regulations of China, to the general reserve until the reserve balance reaches 50% of registered capital. The transfer to this reserve must be made before distribution of dividends to the shareholders. This general reserve can be used to make good previous years' losses, if any, and may be converted to registered capital in proportion to the existing interests of the shareholders, provided that the balance after such conversion is not less than 25% of the registered capital.

The accompanying notes form an integral part of these condensed interim financial statements.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

These notes form an integral part of and should be read in conjunction with the accompanying condensed interim financial statements.

1. General information

EC World Real Estate Investment Trust (“ECW”) is a Singapore-domiciled Real Estate Investment Trust constituted pursuant to the Trust Deed dated 5 August 2015 (as amended and restated) between EC World Asset Management Pte. Ltd. (the “Manager”) and DBS Trustee Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore.

ECW was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 28 July 2016 (the “Listing Date”) and was approved for inclusion under the Central Provident Fund Investment Scheme.

The principal activity of ECW and its subsidiaries (the “Group”) is to invest, 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 on the People’s Republic of China (the “PRC”).

2. Basis of preparation

This condensed consolidated interim financial statements for the year ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards 34 Interim Financial Reporting (FRS 34). This condensed interim financial statements do not include all the disclosures included in the Group’s financial report. Accordingly, this report should be read in conjunction with the Group’s Annual Report for the financial year ended 31 December 2022 and any public announcements made by ECW during interim reporting period.

The condensed consolidated interim financial statements are expressed in Singapore Dollars (“S\$” and “SGD”) and has been rounded to the nearest thousand, unless otherwise stated.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

2. Basis of preparation (continued)

New or amended financial reporting standards effective this period

On 1 January 2023, the Group has adopted new or amended FRS and Interpretations of FRS (“**INT FRS**”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and ECW and had no material effect on the amounts reported for the current and prior financial years.

Going concern

As at 31 December 2023, the current liabilities of the Group and ECW exceeded the current assets by S\$526,777,000 and S\$126,336,000 respectively. The Group has borrowings of S\$563,154,000 which are due for repayment within the next 12 months from the reporting date. ECW current liabilities include loans from a subsidiary of S\$ which are repayable on demand.

As announced by the Manager on 28 August 2023, the Manager has assessed that there is a high risk of non-collection of the outstanding rent receivables. Please refer to Statements of Financial Position note 2 for details. As more than 80% of the revenue of the ECW Group comes from rental income pursuant to related party leases with the Sponsor Group, accordingly, if the Sponsor Group does not pay a sufficient amount of the rent receivables going forward, the ECW Group will be unable to maintain its operating and financing requirements.

As announced by the Manager on 30 August 2023 and 4 September 2023, the ECW Group would not be able to fully repay the offshore interest due on 31 August 2023, the facilities agent agreed to the Manager’s request to release part of the offshore interest reserve of approximately S\$3.4 million in order to fully repay the offshore loan interest expenses. Pursuant to the terms of the offshore facilities, the interest reserve must be topped up by the ECW Group within five business days of such release. The breach of this requirement would result in an event of default pursuant to the offshore facilities and also triggers a cross-default under the existing onshore facilities of the ECW Group. The Board has decided to suspend the trading of the units on a voluntary basis in view of the above developments.

As announced by the Manager on 21 September 2023, approximately RMB11.3 million of the onshore interest reserve has been released and used to fully repay the ECW Group’s onshore interest expenses due on 20 September 2023. As the onshore facilities do not specify the deadline by which the onshore interest reserve must be topped up, this timing is currently subject to ongoing discussions between the onshore lenders under the onshore facilities and the ECW Group.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

As announced by the Manager on 27 September 2023, due to insufficient funds, ECW was not able to make its distribution to unitholders for the period from 1 January 2023 to 30 June 2023 which was to be paid on 28 September 2023. The payment of the distribution will be deferred to a future date when ECW has sufficient free cash for the distribution.

Notwithstanding this, the financial statements are prepared on a going concern basis as the Manager has undertaken the following steps:

- (1) commenced the novation process to take over underlying leases from the master leases and other related party leases due to long overdue rent receivables by the Sponsor and its subsidiaries;
- (2) appointing independent consultants to evaluate the market rental of the assets being leased under the master leases for the purpose of formulating a new leasing strategy for these assets;
- (3) appointing two independent consultants to evaluate the possibility of divesting one or more properties of the ECW Group (including but not limited to the divestment properties) to third parties via open market sales, in order to enable ECW Group to meet its relevant mandatory prepayment obligations under the facilities;
- (4) appointing financial adviser to explore various options to ECW to address its ongoing challenges; and
- (5) working with the lenders to explore the possibility of restructuring of the existing onshore and offshore facilities (the “**Restructuring**”).

Should these steps fail to address the above-mentioned circumstances arose from the delay in collection of related party rent receivables and the non-completion of the Proposed Divestment, ECW Group may have insufficient funds to maintain its operations and would not be able to prepare its financial statements on a going concern basis. If the Group and ECW are unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts currently stated in the Statements of Financial Position of the Group and ECW. In addition, the Group and ECW may have to provide for further liabilities which may arise, and to classify the non-current assets as current assets. The accompanying financial statements do not include the effect of any of these adjustments.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Fair value estimation of investment properties

The Group carries investment properties at fair value as at balance sheet date. Certain assumptions and estimates are made to determine the fair value of these investment properties. The details of the fair value and estimates used are set out in Note 13.

(b) Income tax

The Group has exposure to taxes mainly in Singapore and China. In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes may be due. Significant estimates and assumptions are required to determine the amount of current and deferred tax that can be recognised and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The carrying amounts of current income tax liabilities and deferred income taxes are as disclosed in the statement of financial position.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

4. Segment information

The Group had determined the operating segments based on reports reviewed by Management that are used to make strategic decisions, allocate resources and assess performance. Management comprises the Chief Executive Officer and Chief Financial Officer. Management considers and evaluates the business by the nature of investment properties – port logistics, specialised logistics and E-commerce logistics. These properties are concentrated in one geographical location: People’s Republic of China. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property expenses. This is the measure reported to Management for the purpose of assessment of segment performance. In addition, Management monitors the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly management fee, trust expenses, finance income, finance costs and related assets and liabilities.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

4. Segment information (continued)

Property income and expenses

	<u>Port Logistics</u>		<u>Specialised Logistics</u>		<u>E-commerce Logistics</u>		<u>Total</u>	
	6 months ended 31 December 2023 S\$'000	6 months ended 31 December 2022 S\$'000	6 months ended 31 December 2023 S\$'000	6 months ended 31 December 2022 S\$'000	6 months ended 31 December 2023 S\$'000	6 months ended 31 December 2022 S\$'000	6 months ended 31 December 2023 S\$'000	6 months ended 31 December 2022 S\$'000
<u>Group</u>								
Gross revenue	21,461	24,201	5,006	6,036	25,589	28,007	52,056	58,244
Property expenses	(1,936)	(1,854)	(571)	(727)	(2,142)	(2,646)	(4,649)	(5,227)
Net property income	19,525	22,347	4,435	5,309	23,447	25,361	47,407	53,017
Net change in fair value of investment properties	(250,050)	7,029	(98,659)	775	(258,041)	7,779	(606,750)	15,583
Finance income							769	946
Finance costs							(23,771)	(21,804)
Other trust expenses*							(2,494)	(2,949)
Exchange differences							5,081	6,712
Net change in fair value of financial derivatives							(2,170)	(758)
Total return for the financial period before income tax							(581,928)	50,747
Income tax credit/(expenses)							121,324	(17,516)
Total (loss)/return for the financial period after income tax before distribution							(460,604)	33,231

* Other trust expenses include Manager's fees and Trustee's fees.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

4. Segment information (continued)

Property income and expenses

	<u>Port Logistics</u>		<u>Specialised Logistics</u>		<u>E-commerce Logistics</u>		<u>Total</u>	
	12 months ended 31 December 2023	12 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
<u>Group</u>	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross revenue	44,658	50,676	10,847	12,476	52,265	58,416	107,770	121,568
Property expenses	(3,205)	(3,351)	(1,082)	(1,410)	(4,282)	(5,851)	(8,569)	(10,612)
Net property income	41,453	47,325	9,765	11,066	47,983	52,565	99,201	110,956
Net change in fair value of investment properties	(250,050)	(12,952)	(98,659)	(13,083)	(258,041)	(12,824)	(606,750)	(38,859)
Finance income							1,662	1,997
Finance costs							(46,615)	(41,856)
Other trust expenses*							(6,024)	(6,065)
Pre-termination compensation		(4,106)	-	-	-	-	-	(4,106)
Exchange differences							3,047	4,800
Net change in fair value of financial derivatives							(2,649)	5,820
Total return for the financial period before income tax							(558,128)	32,687
Income tax credit/(expenses)							108,854	(22,577)
Total (loss)/return for the financial period after income tax before distribution							(449,274)	10,110

* Other trust expenses include Manager's fees and Trustee's fees.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

4. Segment information (continued)

Assets and liabilities

	<u>Port Logistics</u>		<u>Specialised Logistics</u>		<u>E-commerce Logistics</u>		<u>Total</u>	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Group</u>								
Segment assets								
- Investment properties	308,428	422,746	157,187	265,788	340,014	388,340	805,629	1,076,874
- Trade and other receivables	38,002	9,296	3,200	3,256	49,558	801	90,760	13,353
- Assets of disposal group class as held-for-sale	-	158,893	-	-	-	301,531	-	460,424
Unallocated assets							101,856	116,127
Total assets							998,245	1,666,778
Segment liabilities	119,312	147,578	37,181	67,261	139,562	69,387	296,055	284,226
Liabilities associated with disposal group	-	41,545	-	-	-	119,508	-	161,053
Unallocated liabilities							559,079	593,136
- Borrowings							48,250	21,369
- Others								
Total liabilities							903,384	1,059,784

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and ECW as at 31 December 2023:

	<u>Group</u>		<u>ECW</u>	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Cash and bank balances	100,964	113,330	106	1,494
Trade and other receivables	90,771	13,253	2,946	996
Derivative financial instruments	-	1,857	-	-
Loans to subsidiaries	-	-	260,147	241,556
	191,735	128,440	263,199	244,046
Financial Liabilities				
Trade and other payables	182,329	51,925	23,362	2,820
Borrowings	559,079	593,136	-	-
Derivative financial instruments	1,879	1,099	-	-
Loans from a subsidiary	-	-	366,705	372,420
	743,287	646,160	390,067	375,240

6. Profit before taxation

6.1 Significant items

	<u>Group</u>			
	6 months ended 31 December 2023	6 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Income				
Interest income	769	946	1,662	1,997
Expenses				
Interest on borrowings	19,144	16,869	36,303	31,656

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

6. Profit before taxation (continued)

6.2 Related party transactions

For the purpose of these condensed interim financial statements, parties are considered to be related to the Group when the Group has the ability, directly or indirectly to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subjected to common significant influence. The Manager and the Property Manager are indirect wholly-owned subsidiaries of the Sponsor.

In addition to the information disclosed elsewhere in the condensed interim financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	6 months ended 31 December 2023 S\$'000	6 months ended 31 December 2022 S\$'000	<u>Group</u> 12 months ended 31 December 2023 S\$'000	12 months ended 31 December 2022 S\$'000
Property management fees paid/payable	973	983	1,901	1,990
Trustee's fees paid/payable	142	158	294	327
Manager's base fees paid/payable	1,606	2,253	3,658	4,606
Late payment interest received/receivable from the ultimate holding corporation and fellow subsidiaries	(1,023)	-	(1,106)	(1,118)
Rental and other related income received/receivable from the Sponsor and its subsidiaries	(46,267)	(45,666)	(93,537)	(97,817)
Operating lease commitment where the Group is a lessor	(72,678)	(165,278)	(72,678)	(165,278)

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

7. Taxation

	6 months ended 31 December 2023 S\$'000	6 months ended 31 December 2022 S\$'000	<u>Group</u> 12 months ended 31 December 2023 S\$'000	12 months ended 31 December 2022 S\$'000
Tax expense attributable to profit is made up of:				
- Profit for the financial year:				
Current income tax				
- Foreign	11,851	16,238	21,475	26,981
	<u>11,851</u>	<u>16,238</u>	<u>21,475</u>	<u>26,981</u>
Withholding tax	611	(3,027)	1,654	2,967
Deferred income tax	(133,786)	4,305	(131,983)	(7,343)
	<u>(121,324)</u>	<u>17,516</u>	<u>(108,854)</u>	<u>22,605</u>
- Over provision in prior financial year:				
Current income tax	-	-	-	-
- Foreign	-	-	-	(28)
	<u>(121,324)</u>	<u>17,516</u>	<u>(108,854)</u>	<u>22,577</u>

8. Earnings per unit

The calculation of basic earnings per Unit is based on:

	6 months ended 31 December 2023	6 months ended 31 December 2022	<u>Group</u> 12 months ended 31 December 2023	12 months ended 31 December 2022
Total (loss)/return attributable to Unitholders of ECW (S\$'000)	(460,604)	33,231	(449,274)	10,110
Weighted average number of Units outstanding during the year ('000)	809,838	809,838	809,838	809,754
Basic and diluted earnings per Unit (cents per share)	<u>(56.88)</u>	4.10	<u>(55.48)</u>	1.25

Diluted earnings per Unit is the same as the basic earnings per Unit as there are no dilutive instruments in issue during the financial period.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

9. Investment properties

	Group	
	31 December 2023 S\$'000	31 December 2022 S\$'000
Beginning of the period	1,076,874	1,673,893
Asset enhancements during the year	22	351
Effect of straight lining of step-up rental	(2,720)	229
Net fair value changes	(606,750)	(38,859)
Disposal	(3)	(21,878)
Transfer from/(to) disposal group (Note 10)	392,930	(392,930)
Currency translation differences	(54,724)	(143,932)
End of the period	<u>805,629</u>	<u>1,076,874</u>

All investment properties are mortgaged to secure bank loans (Note 11).

For the unaudited financial year results 31 December 2023, the carrying values of the Group's investment properties were based on the independent valuations as at 31 December 2023 conducted by Knight Frank. The valuation methods used by the independent valuer involved certain estimates. The independent valuers are of the view that the valuation techniques and estimates they have employed are reflective of the current market conditions as at 31 December 2023. The Manager has reviewed the appropriateness of the valuation techniques, and assumptions applied by the independent valuers.

The final valuation reports would be issued by Knight Frank in due course. The Manager will provide an update if there is any material variance and when the valuation reports are finalised and issued. Please refer to Announcement on asset valuation released on 27 February 2024 for details.

10. Disposal group classified as held for sale

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 Divestment to Sponsor was approved by ECW's unitholders on 16 December 2022. As at 31 December 2023, the Group received RMB333 million (S\$64.5 million) advance payment from the Purchasers.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

10. Disposal group classified as held for sale (continued)

On 30 January 2023, Purchasers and the Vendor have entered into a supplementary agreement (the “**First 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.

As announced by the Manager on 10 July 2023, Purchasers and the Vendor have on 9 July 2023, entered into a second supplementary agreement (the “**Second Supplemental Agreement**”). The Second Supplementary Agreement states that it shall take effect only upon the approval by independent Unitholders of ECW for the Second Supplementary Agreement (including the Long-Stop Date) being obtained at an extraordinary general meeting. The Second Supplementary Agreement provides for, among others, (i) the Long-Stop Date to be amended to 31 October 2023 or such other date as may be determined by the Vendor with the approval of the Monetary Authority of Singapore (“**MAS**”) and the independent Unitholders; (ii) the flexibility of a two-stage completion process (“**Two-Stage Completion**”) if the Vendor and the Purchasers provide their respective mutual consent in accordance with the Supplementary Agreement; (iii) the revised agreed property values of the Divestment Properties (the “**Revised Agreed Property Values**”), which have increased from their agreed property values under the Equity Purchase Agreement dated 30 September 2022; and (iv) the revised relevant mandatory prepayment amount. For the avoidance of doubt, the Equity Consideration remains fixed at RMB 1,370,000,000. The Second Supplemental Agreement was approved by ECW’s unitholders on 7 September 2023.

In accordance with the Trust Deed, the Manager is entitled to receive a divestment fee at the rate of 0.5% of the aggregate agreed property value only upon successful completion of the divestment. The Manager also incurred an estimated S\$2.7 million of transaction related expenses which can be claimed from the Group upon successful completion of the divestment or in the event of failure of divestment, such costs are recoverable from the Buyer.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

10. Disposal group classified as held for sale (continued)

As announced by the Manager on 26 October 2023, the Sponsor and the Purchasers have informed the Vendor that the Sponsor has not been able to obtain sufficient financing for the Proposed Divestment and hence the Sponsor and the Purchasers will not be able to complete the Proposed Divestment by the Divestment Long-Stop Date. The entire assets and liabilities related to the Proposed Divestment previously presented as a disposal group classified as held-for sale were reclassified back to the corresponding assets and liabilities as at 31 December 2023.

11. Borrowings

	<u>Group</u>	
	31 December 2023	31 December 2022
	S\$'000	S\$'000
<i>Current</i>		
Secured bank borrowings		
- Onshore facility	133,796	109,994
- Offshore facility	342,983	393,642
- Revolving credit facilities	82,300	89,500
	559,079	593,136
<i>Non-current</i>		
Secured bank borrowings	-	-
	559,079	593,136
Total borrowings	559,079	593,136

The maturity of the borrowings are as follows:

	<u>Group</u>	
	31 December 2023	31 December 2022
	S\$'000	S\$'000
Within 1 year	559,079	593,136
	559,079	593,136

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

11. Borrowings (continued)

Measurement of fair value

Onshore and Offshore interest-bearing borrowings are repriced upon revision of People's Bank of China ("**PBOC**") Lending Base Rate, Loan Prime Rate ("**LPR**"), SGD SORA and USD SOFR. The carrying amounts of the borrowings as at reporting date approximate to their corresponding fair values.

Onshore facility

As announced by the Manager on 5 June 2023, the existing onshore bank loans have been refinanced in full with an onshore facility for an aggregate principal amount of up to RMB745.5 million (the "**2023 Onshore Facility**"). 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..

As at 31 December 2023, the onshore facility is secured by:

- 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;
- 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;

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

11. Borrowings (continued)

Onshore facility (continued)

As at 31 December 2023, the onshore facility is secured by: (continued)

- 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 and 12 months ended 31 December 2023 was 7.2%. The blended all-in running interest rate for the quarter and 12 months ended 31 December 2023 was 6.1% and 5.9% respectively.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

11. Borrowings (continued)

Offshore facility

As announced by the Manager on 6 June 2023, the existing offshore bank loans have been refinanced in full with an offshore facility for an aggregate principal amount of up to SGD348.9 million (the “**2023 Offshore Facility**”, together with the “**2023 Onshore Facility**”, the “**2023 Facilities**”). The offshore borrowers are ECW Treasure Pte. Ltd. (“ECWT”) and Zhejiang Fuzhou E-commerce Co., Ltd..

The Offshore facility is 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., 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\$9,778,333.56 and US\$2,017,518.86; 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 12 months ended 31 December 2023 was 8.5% and 7.5% respectively. The blended all-in running interest rate for the quarter and 12 months ended 31 December 2023 was 7.4% and 6.5% respectively.

As at 31 December 2023, S\$246.8 million and US\$75.5 million (S\$102.1 million) of the above facility were drawn down and 53% 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.

Mr. Zhang Guobiao, the chairman and controlling shareholder of the Sponsor, has provided personal guarantees for an amount of S\$75.7 million in respect of the 2023 Facilities.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

11. Borrowings (continued)

Revolving Credit Facilities

As at 31 December 2023, ECW has uncommitted revolving credit facilities of S\$90 million with United Overseas Bank Ltd (“**UOB**”) and Bank of East Asia Limited, Singapore Branch (“**BEA**”). ECW had drawn down a total of S\$82.3 million short-term loan backed by SBLC issued by United Overseas Bank (China) Ltd and Bank of East Asia (China) Limited. SBLC is collateralised against a cash deposit of RMB474.9 million (S\$88.2 million). The interest rates ranged from 5.0% to 5.39% per annum for the quarter and 4.19% to 5.55% for 12 months ended 31 December 2023.

The blended all-in interest rate of the aggregate facilities for the quarter and 12 months ended 31 December 2023 was 7.6% and 7.2% respectively. The blended all-in running interest rate for the quarter and 12 months ended 31 December 2023 was 6.7% and 6.3% per annum respectively. At the end of the period, the aggregate leverage for the Group was 58.3% (31 December 2022: 38.8%) and the interest coverage ratio¹ was 2.11 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 portion of offshore loans unhedged.

Mandatory Repayment during the year

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.

During the year, the Group made a partial settlement of the mandatory repayment totalling RMB87.9 million (S\$17.0 million) towards onshore facilities, SGD39.4 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. Net of the partial prepayment of S\$65.6 million disclosed above, the remaining mandatory repayment as per the 2023 facilities agreement, is estimated to be S\$82.2 million.

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.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

11. Borrowings (continued)

2023 Facilities financial covenants

The Group shall, at all times meet the following financial covenants:

	Before Proposed Divestment	After Proposed Divestment
Unitholders' funds being no less than	S\$500 million	S\$450 million
Loan-to-value ratio being no more than	0.45 to 1	0.45 to 1
Interest coverage ratio being no less than	2 to 1	1.75 to 1
Ratio of the total liabilities to the Deposited Property being no less than	0.40 to 1	0.40 to 1

12. Units in issue

	<u>Group and ECW</u>	
	31 December 2023	31 December 2022
	No. of Units '000	No. of Units '000
<i>Units in issue</i>		
Beginning of the period	809,838	809,492
Issue of Units:		
- Manager's performance fees payable in Units	-	346
End of the period	809,838	809,838
<i>Units to be issued</i>		
- Manager's performance fees payable in Units	-	-
Total issued and to be issued Units	809,838	809,838

During the period, no new Units was issued (31 December 2022: 346,763 new Units), in respect of the payment of management fees in Units. For prior issuance of units, the issue price was determined based on the volume-weighted average price for all trades done on SGX-ST in the ordinary course of trading for the last 10 business days of the relevant quarter on which the fees accrued.

13. Fair value measurement

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction other than in a forced or liquidation sale.

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

13. Fair value measurement (continued)

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

There were no transfers between Levels 1 and 2 during the period.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. The fair value of interest rate swaps and cross currency interest rate swaps are calculated as the present value of the estimated future cash flows based on observable yield curves. These investments are classified as Level 2 which comprise derivative financial instruments. In frequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

13. Fair value measurement (continued)

The table below presents financial assets and liabilities measured and carried at fair value and classified by the following level of fair value measurement hierarchy:

<u>Group</u>	<u>Fair value</u>			<u>Total</u> <u>S\$'000</u>
	<u>Level 1</u> <u>S\$'000</u>	<u>Level 2</u> <u>S\$'000</u>	<u>Level 3</u> <u>S\$'000</u>	
31 December 2023				
Financial assets	-	-	-	-
Financial liabilities				
Derivative financial instruments	-	(1,879)	-	(1,879)
Non-financial assets				
Investment properties	-	-	805,629	805,629
31 December 2022				
Financial assets				
Derivative financial instruments	-	1,857	-	1,857
Financial liabilities				
Derivative financial instruments	-	(1,099)	-	(1,099)
Non-financial assets				
Investment properties	-	-	1,076,874	1,076,874
Investment properties (held-for-sale)	-	-	392,930	392,930

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

14. Events occurring after reporting date

(a) Unauthorised Mortgages and contingent liabilities

As announced by the Manager on 2 January 2024, unauthorised mortgages (the “**Relevant Mortgages**”) have been imposed on three properties owned by ECW, namely Fuzhou E-Commerce, Fu Heng Warehouse and Hengde Logistics (collectively, the “**Relevant Properties**”). The Relevant Mortgages were imposed without the consent or knowledge of the Manager. The mortgages of the existing lenders of the ECW Group will not be affected by the Relevant Mortgages.

As announced by the Manager on 2 January 2024 and 15 January 2024, the Manager had issued several demand letters to the Sponsor to state, among others, that (a) the Relevant Mortgages have been illegally entered into; and (b) the Manager reserves all rights to commence legal proceedings against the Sponsor and the relevant personnel. Additionally, the Manager demanded, among others, that (i) the Sponsor immediately procure the discharge of the Relevant Mortgages; (ii) the Sponsor return all property and assets owned by ECW, (iii) the Sponsor not set up any further mortgage, pledge or any other encumbrance over the properties of ECW or make any commitment to any person in relate to the properties of ECW.

As announced by the Manager on 18 January 2024, the illegal mortgage imposed over Hengde Logistics has been discharged.

As at the date of this announcement, the illegal mortgage imposed over Fuzhou E-Commerce, Fu Heng Warehouse (the “**Relevant Mortgages**”) have not yet been discharged as the Sponsor is still exploring various options to discharge the Relevant Mortgages. The ECW Group has since submitted pleadings to the relevant PRC court to initiate lawsuits to revoke the mortgages based on the facts that the mortgages are unauthorized (the “**Lawsuits to Revoke Mortgage**”) and to procure the discharge of the Relevant Mortgages. This decision was made by the Manager further to discussions with the Lenders and DBS Trustee Limited, in its capacity as trustee of ECW (the “**Trustee**”).

The maximum financial risk exposure arising out of the Relevant Mortgages on the ECW Group is RMB268.6 million (S\$49.9 million) as computed in the table set out below.

Mortgagor	Mortgagee	Amount of related loans	Amount per mortgage agreements
		RMB	RMB
Hangzhou Fu Heng Warehouse Co., Ltd.	Hangzhou Fuyang Futoufa Zhenfu Equity Investment LLP	120,000,000	120,000,000
Zhejiang Fuzhou E-Commerce Co., Ltd.	Hangzhou Fuyang Futoufa Zhenfu Equity In	80,000,000	118,900,000
Zhejiang Fuzhou E-Commerce Co., Ltd.	Zhejiang Fuyue Finance Lease Co., Ltd.	3,000,000	4,460,000
		17,000,000	25,250,000
Total		220,000,000	268,610,000
Maximum Contingent liabilities			268,610,000

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months and twelve months ended 31 December 2023

14. Events occurring after reporting date (continued)

(b) Restructuring status

The offshore facility's tenure is 11 months ending on 30 April 2024, subject to lenders' consent and certain conditions (including the registration with National Development and Reform Commission of the PRC or its competent local branch or any authority succeeding to its functions ("the **NDRC**")), be extended for a further period of 24 months, and with such extended date not extending beyond 30 April 2026. The Lenders have the sole discretion to decide whether or not to grant such extension and, the terms and conditions for such extension.

Due to the occurrence of unforeseen financial difficulties, ECW Group and the Sponsor were not able to provide evidence of their respective financial capabilities to perform their repayment obligations under the offshore facility agreement, which constitutes a mandatory eligibility requirement under the NDRC Order 56. Therefore, the registration of the ECW Group's existing offshore facility with the NDRC has not been completed, and the Manager believes that it is unlikely the registration can be completed by 30 April 2024. If the NDRC registration cannot be completed by 30 April 2024, the offshore facilities may not be extended and will mature on 30 April 2024. To avoid the occurrence of an event of default due to failure of repayment, the borrowers under the offshore facilities agreement are seeking for re-structuring/refinancing of the offshore facilities and the process is on-going. If negotiations with the Lenders on restructuring/refinancing the ECW Facilities fail, the ECW Group's financial position would be in the net current liabilities position and all borrowings will fall due immediately.

(c) Waiver Applications to SGX and MAS

On 13 February 2024, ECW applied to SGX to apply for a waiver from the requirement for ECW to hold its annual general meeting for the financial year ended 31 December 2023 (the "**2024 AGM**") within four months from the end of 31 December 2023 under Rule 707(1) of the Listing Manual and to allow for an extension of time for the 2024 AGM to be held from 30 April 2024 to 31 July 2024.

On 13 February 2024, ECW applied to MAS to apply for a waiver from paragraph 4.1(d) of Appendix 6 of the Code on Collective Investment Schemes issued by the MAS to allow for an extension of time for the audited statement of total return and the audited balance sheet of ECW and its group to be laid before the 2024 AGM to be made up to or as at (as the case may be) 31 December 2023, notwithstanding that the 2024 AGM may be held after 30 April 2024.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

**ADDITIONAL INFORMATION AND OTHER INFORMATION REQUIRED BY LISTING
RULE APPENDIX 7.2**

For the six months and twelve months ended 31 December 2023

The condensed consolidated statement of financial position of ECW and its subsidiaries as at 31 December 2023 and the related condensed consolidated statement of total return and other comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows and condensed interim statement of movements in Unitholder's funds for the six months then ended and certain explanatory notes have not been audited or reviewed.

1. Review of the Performance

(i) Review of performance for the quarter ended 31 December 2023

Gross revenue of S\$25.1 million was 3.4 million or 11.8% lower compared to 4Q2022. Net property income ("NPI") of S\$22.7 million was S\$3.3 million or 12.7% lower compared to 4Q2022, mainly due to the weakening of RMB against SGD, lower occupancy rate in Wuhan Meiluote and early termination of China Tobacco leases in relation to Hengde Logistics Phase I, mitigated partly by organic rental escalations and higher late fee income. In RMB terms, the gross revenue was 8.0% lower and NPI was 9.0% lower compared to 4Q2022. After straight-lining of step-up rental, security deposit accretion and other relevant distribution adjustments, gross revenue in RMB terms was 0.9% lower compared to 4Q2022, mainly due to lower occupancy rate in Wuhan Meiluote and early termination of China Tobacco leases in relation to Hengde Logistics Phase I, offset by organic rental escalations and higher late fee income. NPI in RMB terms was 1.2% lower compared to 4Q2022, mainly due to lower gross revenue, lower business tax in 4Q'22 as a result of refund of land used tax in Dec'22, offset by lower operating expenses at the Properties.

Finance costs of S\$12.0 million were S\$0.8 million or 7.3% higher compared to 4Q2022 mainly driven by higher interest rate in the quarter compared to 4Q2022.

Calculated distribution to Unitholders of S\$5.6 million represents S\$0.5 million or 10.0% increase compared to 4Q2022, mainly due to 10% distributable income for full year of FY2022 retained in 4Q2022, offset by lower revenue and higher finance cost in 4Q2023.

**ADDITIONAL INFORMATION AND OTHER INFORMATION REQUIRED BY LISTING
RULE APPENDIX 7.2**

For the six months and twelve months ended 31 December 2023

(ii) Review of performance for the 12 months ended 31 December 2023

Gross revenue of S\$107.8 million was S\$13.8 million or 11.4% lower compared to FY2022. Net property income (“NPI”) of S\$99.2 million was S\$11.8 million or 10.6% lower compared to FY2022 which mainly caused by weakening of RMB against SGD, lower occupancy rate in Wuhan Meiluote, early termination of China Tobacco leases in relation to Hengde Logistics Phase I, cessation of rental income contribution from Fu Zhuo Industrial from 1 Apr 2022, mitigated partly by organic rental escalations and higher late fee income. In RMB terms, the gross revenue was 4.1% lower and NPI was 3.3% lower compared to FY2022. After straight-lining of step-up rental, security deposit accretion and other relevant distribution adjustments, the gross revenue and NPI in RMB terms was 1.6% and 0.5% lower respectively compared to FY2022, mainly due to lower occupancy rate in Wuhan Meiluote, early termination of China Tobacco leases in relation to Hengde Logistics Phase I, cessation of rental income contribution from Fu Zhuo Industrial from 1 Apr 2022, mitigated partly by organic rental escalations, higher late fee income and lower operating expenses at the Properties.

Finance costs of S\$46.6 million were S\$4.8 million or 11.4% higher compared to FY2022 mainly due to higher interest rate and extension fee incurred during the year.

Calculated distribution to Unitholders of S\$29.6 million represents S\$8.9 million or 23.2% decrease compared to FY2022 mainly due to lower revenue, higher interest cost, and absence of pay out distribution previously retained in prior periods.

2. Variance between the forecast

ECW did not disclose any financial forecast to the market.

3. 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

According to the National Bureau of Statistics of the PRC, the China’s economy expanded by 5.2% y-on-y in 2023². The growth rate for the fourth quarter was also 5.2% y-o-y and 1% q-o-q respectively². This is supported by total retail sales of consumer goods of 47,149.5 billion yuan, rising 7.2% y-on-y³, and industrial production which rose 4.6% y-on-y⁴. The World Bank, in its latest assessment of global economy on 9 January 2024, forecasted China’s growth will slow to 4.5% in 2024 on the back of weaker domestic demand and mounting geopolitical tensions⁵.

² <https://asia.nikkei.com/Economy/China-confirms-GDP-rose-5.2-in-2023-on-higher-government-spending>

³ https://www.stats.gov.cn/english/PressRelease/202402/t20240201_1947119.html

⁴ https://www.stats.gov.cn/english/PressRelease/202401/t20240125_1946873.html

⁵ <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

**ADDITIONAL INFORMATION AND OTHER INFORMATION REQUIRED BY LISTING
RULE APPENDIX 7.2**

For the six months and twelve months ended 31 December 2023

The fixed asset investment (excluding rural households) nationwide was 50,303.6 billion yuan in 2023, increased 3% y-o-y⁶, was dependent on the increased investment in infrastructure and manufacturing which rose 5.9% and 6.5% in 2023 respectively⁷. The property sector remains a drag on the economy, with property investment tumbling downward by 9.6% in 2023⁸. Funds for investment for Real Estate Development Enterprises fell 13.6% from the previous year. Among them, the foreign investment was 4.7 billion yuan, down by 39.1%⁸.

Global headline inflation is expected to fall from 6.8% in 2023 to 5.8% in 2024⁹. Adverse risks to global growth remain plausible. Global conflicts could escalate and adverse economic situations could cause commodity price spikes. The PRC's growth could experience a prolonged decline without a comprehensive policy for the troubled property sector, impacting real estate investment and unintentional fiscal tightening due to local government financing constraints¹⁰.

To date, the unauthorised mortgages imposed over Fuzhou E-commerce and Fuheng Warehouse have not yet been discharged. ECW intends to pursue the Lawsuits to Revoke Mortgage to protect the unitholders' interest while concurrently negotiating with the Sponsor to discharge the unauthorised mortgages. Due to insufficient funds, ECW will suspend distribution to a future date when the REIT has sufficient free cash for distribution. The Manager has commenced the novation process to take over underlying leases in relation to the affected leases. The property valuation of the portfolio of ECW for the year ended in 2023 has declined materially by 43.0%, leading to an increase of the aggregate leverage from 36.9% as of 30 September 2023 to 58.3% as of 31 December 2023. ECW will continue to face serious financial and cash flow stress in the short to medium term. The units trading will continue to be suspended until the financial situation has improved.

⁶ https://www.stats.gov.cn/english/PressRelease/202402/t20240201_1947074.html

⁷ http://english.scio.gov.cn/m/pressroom/2024-01/17/content_116946664.htm

⁸ https://www.stats.gov.cn/english/PressRelease/202402/t20240201_1947107.html

⁹ <https://www.imf.org/-/media/Files/Publications/WEO/2024/Update/January/English/text.ashx>

¹⁰ <https://www.imf.org/-/media/Files/Publications/WEO/2024/Update/January/English/text.ashx>

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

**ADDITIONAL INFORMATION AND OTHER INFORMATION REQUIRED BY LISTING
RULE APPENDIX 7.2**

For the six months and twelve months ended 31 December 2023

4. 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 0.628 cents per unit was declared for the period from 1 October 2022 to 31 December 2022.

5. 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 July 2023 to 31 December 2023 due to ECW having insufficient funds to make the distribution.

6. 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
(Constituted under a Trust Deed in the Republic of Singapore)

**ADDITIONAL INFORMATION AND OTHER INFORMATION REQUIRED BY LISTING
RULE APPENDIX 7.2**

For the six months and twelve months ended 31 December 2023

7. Status of Master lease agreements

Property	Note	Date of Commencement	Remaining term (Years)	Gross revenue from 1.1.23 to 31.12.23	Security Deposit	Rental receivables (MLA)
				(Inclusive of VAT) (RMB'000)	(RMB'm)	(RMB'm)
Chongxian Port Investment		1 January 2021	1.0	173,230	137.4	83.1
Bei Gang Logistics Stage 1		1 November 2020	0.8	132,520	123.4	62.2
Fu Heng Warehouse	(1)	1 January 2021	1.0	52,070	41.3	28.7
Fuzhou Ecommerce	(1)	8 August 2019	0.6	92,780	43.0	50.7

Note 1:

ECW is in the process of novating all its underlying leases to secure the underlying cashflow, in order to support ECW's operating and financing requirement. MLAs will be terminated progressively after completion of novation of the underlying leases to the ECW Group.

Please refer to Announcement Updates in relation to Master Lease Arrangements released on 27 February 2024 for details.

8. Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors of EC World Asset Management Pte Ltd (the "Company"), as manager of ECW, confirms that there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a Director or Chief Executive Officer or substantial unitholders of ECW.

9. 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.

EC WORLD REAL ESTATE INVESTMENT TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

**ADDITIONAL INFORMATION AND OTHER INFORMATION REQUIRED BY LISTING
RULE APPENDIX 7.2**

For the six months and twelve months ended 31 December 2023

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
27 February 2024