
**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

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 927,157⁽¹⁾ 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. Fuzhou E-Commerce (E-commerce logistics).

Note:

- (1) There was an adjustment in NLA from 954,299 square meters to 927,157 square meters, due to the change in nature of leases from master leases to multiple tenant leases.

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Summary Results of ECW

	Notes	Group		
		1.1.24 to 31.3.24	1.1.23 to 31.3.23	Change
		S\$'000	S\$'000	%
Gross revenue	(1)	25,296	28,134	(10.1)
Net property income	(1)	23,311	26,078	(10.6)
Calculated Distribution to Unitholders		7,320	9,128	(19.8)
Calculated Distribution per unit ("DPU") (cents)	(2)	0.904	1.127	(19.8)
Annualised distribution yield (%)		12.99	14.28	(9.0)
- Based on share price of S\$0.28 per unit as at 28 August 2023 (S\$0.32 per unit as at 31 March 2023)				

Notes:

- (1) The decrease in gross revenue and net property income in 1Q2024 was mainly due to discontinuation of China Tobacco leases in relation to Hengde Logistics Phase I, lower rental income from Chongxian Port Logistics, weakening of RMB against SGD by 4.3% year-on-year, offset by higher late fee, organic rental escalations. After adjusting for effective rent, security deposit accretion and other relevant distribution adjustments in item 1(a)(9), gross revenue and net property income were S\$24.7 million and S\$22.7 million respectively in 1Q2024 (1Q2023: S\$27.6 million and S\$25.6 million respectively).
- (2) ECW's distribution policy is to distribute at least 90% of distributable income for each financial year on a semi-annual basis. Since ECW's first distribution on 28 November 2016 up to the period ended 31 December 2022, ECW had been making distributions on a quarterly basis. On 27 December 2022, the Manager has announced that ECW will make distributions on a half-yearly basis, in respect of the periods commencing on or after 1 January 2023.

10% of total amount available for distribution was retained for ECW's general working capital purpose for the financial period with effective from 1 January 2023. Please refer to item 1(a) on Statement of Total Return and Distribution Statement.

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 due to insufficient funds. The payment of the distribution has been deferred to a future date when the ECW has sufficient free cash for the said distribution. There was 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.

Subject to funding availability, the next distribution to Unitholders would be for the period from 1 January 2024 to 30 June 2024.

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

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1(a) Statement of Total Return and Distribution Statement

Statement of Total Return		Group		
		1.1.24 to 31.3.24	1.1.23 to 31.3.23	Change
	Notes	S\$'000	S\$'000	%
Gross revenue	(1)	25,296	28,134	(10.1)
Property expenses	(2)	(1,985)	(2,056)	(3.5)
Net property income		23,311	26,078	(10.6)
Finance income		349	470	(25.7)
Finance costs	(3)	(11,755)	(11,099)	5.9
Manager's management fees	(4)			
- Base fees		(904)	(1,127)	(19.8)
Trustee's fees		(49)	(76)	(35.5)
Foreign exchange (loss)/gain	(5)	(2,723)	2,826	N/M
Other trust expenses	(6)	(381)	(356)	7.0
Net income		7,848	16,716	(53.1)
Net change in fair value of financial derivatives	(7)	1,955	(3,186)	N/M
Total return for the financial period before income tax		9,803	13,530	(27.5)
Income tax expenses	(8)	(3,733)	(6,612)	(43.5)
Total return for the financial period after income tax before distribution		6,070	6,918	(12.3)
Distribution statement				
Total return for the financial period after income tax before distribution		6,070	6,918	(12.3)
Distribution adjustments	(9)	2,064	3,224	N/M
Total amount available for distribution		8,134	10,142	(19.8)
Calculated Distribution to Unitholders		7,320	9,128	(19.8)

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) Finance costs comprise interest expenses on borrowings, amortisation of capitalized 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 2024 to 31 December 2024.

- (5) Foreign exchange loss arose mainly from revaluation of loans in foreign currency.

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- (6) Other trust expenses include professional fees and other non-property related expenses.
- (7) The net change in fair value of financial derivatives relates to various derivative financial instruments which were put in place by the Manager to hedge interest rate and exchange rate risks.
- (8) Income tax expenses comprise corporate income tax, withholding tax and deferred tax.
- (9) Net effect of (non-taxable income) / tax deductible expenses and other adjustments comprises:

	Group		
	1.1.24 to 31.3.24	1.1.23 to 31.3.23	Change
	S\$'000	S\$'000	%
Straight-lining of step-up rental	94	244	(61.5)
Security deposit accretion	95	52	82.7
Trustee's fees	49	76	(35.5)
Net deferred tax credit	(24)	(61)	N/M
Net change in fair value of financial derivatives	(1,955)	3,186	N/M
Amortisation of upfront debt issuance costs	1,305	1,576	(17.2)
Net foreign exchange loss/(gain)	2,722	(2,719)	N/M
Provision of withholding tax (net)	(222)	870	N/M
Total distribution adjustments	2,064	3,224	N/M

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1(b)(i) Balance Sheet

	Notes	Group		ECW	
		31.3.24	31.12.23	31.3.24	31.12.23
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	(1)	83,891	100,964	380	106
Derivative financial assets	(2)	99	-	-	-
Trade and other receivables	(3)	112,343	91,652	3,436	3,478
Loans to subsidiaries		-	-	241,572	241,572
		196,333	192,616	245,388	245,156
Non-current assets					
Investment properties	(4)	808,664	805,629	-	-
Investment in subsidiaries		-	-	39,588	39,588
		808,664	805,629	39,588	39,588
Total assets		1,004,997	998,245	284,976	284,744
LIABILITIES					
Current liabilities					
Trade and other payables		126,007	123,896	23,391	23,362
Loans from a subsidiary		-	-	335,510	348,130
Borrowings	(5)	553,231	559,079	-	-
Derivative financial liabilities	(2)	23	1,879	-	-
Current income tax liabilities		37,097	34,539	-	-
		716,358	719,393	358,901	371,492
Non-current liabilities					
Deferred income tax liabilities	(6)	121,938	121,741	-	-
Trade and other payables		62,355	61,499	-	-
Government grant		740	751	-	-
		185,033	183,991	-	-
Total liabilities		901,391	903,384	358,901	371,492
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		103,606	94,861	(73,925)	(86,748)
Represented by:					
Unitholders' funds		267,889	261,818	(73,925)	(86,748)
Foreign currency translation reserve		(164,283)	(166,957)	-	-
UNITHOLDERS' FUNDS	(7)	103,606	94,861	(73,925)	(86,748)

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Notes

- (1) Includes RMB195.1 million (S\$36.4 million) cash security deposits received from the master leases and cash deposits of RMB420.1 million (S\$78.4 million) placed as collateral for standby letter of credit (“**SBLC**”) issuance. As at 31 March 2024, cash collaterals for SBLC facilities were placed with United Overseas Bank (China) Limited and Bank of East Asia (China) Limited which have good credit rating.
- (2) This relates to the fair values of the derivative financial instruments entered into to hedge the various risks of ECW. As at 31 March 2024, the derivative instruments entered into were:
- (a) Plain vanilla interest rate swaps (to hedge the interest rate of the Offshore Facility);
 - (b) Cross currency swaps (to hedge the interest rate and foreign exchange rate of the Offshore Facility);

As at the date of this announcement, all the derivative financial instruments were settled in full by maturity dates.

- (3) Increase in trade and other receivables was mainly due to increase in rent receivables offset by collection from related party leases (including master lease agreements) during the period. The master lease agreements are secured by the cash security deposit of RMB345.1 million (S\$64.4 million). Under the master lease agreement, the overdue rent receivables are subjected to a late payment interest of 0.03% per day. As of 31 March 2024, the balance 30% of compensation of RMB32.6 million (S\$6.1 million) for the compulsory expropriation Fu Zhuo Industrial remained outstanding. Management is exploring various options including divestment of Fu Zhuo Industrial to recover the outstanding receivables.

As of 31 March 2024, the overdue rent receivables owing to ECW and its subsidiaries (collectively, the “**ECW Group**”) by the Sponsor and its subsidiaries (collectively, the “**Sponsor Group**”) had exceeded RMB395.5 million (S\$73.8 million). Of the outstanding rent receivables, RMB325.5 million (S\$60.7 million) represents the rent payable pursuant to master leases, while the balance RMB70.0 million (S\$13.1 million) represents the rent payable pursuant to other related party leases. As at 31 March 2024, the outstanding rent receivables pursuant to master leases can be fully covered by the security deposit amount paid by the master lessees, whereas the outstanding rent receivables pursuant to other related party leases can be fully covered by the other payables owed to Sponsor Group, 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 Manager has been in regular dialogue with the Sponsor Group to explore a settlement proposal for the outstanding rental receivables from the related party lessees (including master lessees) and will provide an update once a solution is reached.

Please refer to 1b(i) Balance Sheet note (8) on the steps that the Manager has undertaken.

- (4) Represents the carrying values of the investment properties, including asset enhancement initiatives, effective rental adjustments and translation differences. The investment properties were pledged as security for the borrowings of ECW and its subsidiaries (collectively, the “**Group**”). The increase in carrying amount of investment properties was mainly due to the strengthening of RMB against SGD.
- (5) Consists of revolving credit facilities and term loan facilities drawn down in 3Q2019 which had been refinanced in May 2023. The decrease of borrowings was mainly due to repayment of revolving credit facilities of S\$9.8 million.

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

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- (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) As at 31 March 2024, the current liabilities of the Group and ECW exceeded the current assets by S\$520,025,000 and S\$113,513,000 respectively. The Group has borrowings of S\$556,064,000 which are due for repayment within the next 12 months from the reporting date.

In addition to the process of novation of underlying leases, the Manager has been in regular dialogue with the Sponsor Group to explore a settlement proposal for the outstanding rental receivables from the related party lessees (including master lessees).

The trading of the units has been suspended since 31 August and remains suspended as at 31 March 2024.

As at the date of this announcement, the unauthorised mortgage imposed over Fuzhou E-Commerce and Fu Heng Warehouse (the “**Relevant Mortgages**”) have not yet been discharged. The Manager has issued several demand letters to the Sponsor demanding that the Relevant Mortgages be discharged immediately. The Manager has also issued letters to the Fuyang Finance Bureau emphasising the urgency for the Relevant Mortgages to be discharged and request the Fuyang Finance Bureau to follow up closely and to urge the Sponsor to discharge the Relevant Mortgages as soon as possible. The Sponsor is still in discussion with the Fuyang Government and Fuyang Financial institution to reach a feasible solution to discharge the Relevant Mortgages. The ECW Group has submitted the relevant lawsuits to the relevant PRC court and the case application is now being reviewed and is yet to be accepted by the relevant PRC court. The maximum financial risk exposure arising out of the Relevant Mortgages on the ECW Group is estimated to be RMB268.6 million (S\$50.1 million).

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. As at the date of this announcement, 100% of novation process for Chongxian Port Logistics, Fuheng Warehouse and approximately 98% of Fuzhou E-Commerce have been completed;
- (2) appointed 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) appointed 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 sale, in order to enable ECW Group to meet its relevant mandatory prepayment obligations under the facilities;
- (4) appointed financial adviser to explore various options for ECW to address its ongoing challenges; and

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- (5) working with the lenders to explore the possibility of restructuring of the existing onshore and offshore facilities (the “**Restructuring**”). The Manager has not received any indication from the lenders that they intend to accelerate the existing banks loans under the ECW facilities at this juncture.

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 ECW Group is 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 ECW Group. In addition, the ECW Group 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.

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

	Group	
	31.3.24	31.12.23
	S\$'000	S\$'000
Secured borrowings		
Amount repayable in one year or less	556,064	563,154
Less: Unamortised debt issuance costs	(2,833)	(4,075)
Total borrowings	553,231	559,079

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

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..

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As at 31 March 2024, the onshore facility was secured by way of:

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

The blended all-in interest rate for the quarter ended 31 March 2024 was 7.0%. The blended all-in running interest rate for the quarter ended 31 March 2024 was 6.1%.

(b) Offshore Facility

The existing offshore bank loans have been refinanced in full with an offshore facility for an aggregate principal amount of up to S\$348.9 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..

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(b) Offshore Facility (continued)

As at 31 March 2024, the Offshore Facility was secured by:

- i) An unconditional and irrevocable guarantee from the Singapore Holding Companies, Flutric Investments Limited (the “BVI Holding Company”) and the Trustee (in its capacity as trustee of ECW) on a joint and several bases;
- 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\$9.8 million and US\$2.0 million; and
- v) A debenture over all the assets of the Trustee (in its capacity as trustee of ECW) relating to and/or in connection with the Properties, and debentures over all of the assets of each of the Singapore Holding Companies and ECWT.

The blended all-in interest rate for the quarter ended 31 March 2024 was 8.7%. The blended all-in running interest rate for the quarter ended 31 March 2024 was 7.5%. As at 31 March 2024, 44.5% 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 in respect of the 2023 Facilities as disclosed previously.

(c) Revolving Credit Facilities

As at 31 March 2024, ECW had drawn down a total of S\$72.5 million short-term loans from United Overseas Bank Ltd (“**UOB**”) and Bank of East Asia Limited, Singapore Branch (“**BEA**”), backed by SBLC issued by United Overseas Bank (China) Ltd and Bank of East Asia (China) Limited. The SBLC is collateralised against a total cash deposit of RMB420.1 million (S\$78.4 million). The interest rates ranged from 4.93% to 5.3564% per annum for the quarter ended 31 March 2024. On 30 April 2024, approximately S\$52.4 million was repaid using the cash collaterals for the SBLC and the remaining SBLC loans amounting to approximately S\$20.1 million matured on the date remains outstanding as of the date of this announcement. The remaining lender has not indicated its intention to accelerate the existing short-term loans at this juncture and the Manager is exploring options to settle the remaining SBLC loans in order to further reduce ECW’s aggregate leverage.

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The blended all-in interest rate of the aggregate facilities for the quarter ended 31 March 2024 was 7.8%. The blended all-in running interest rate for the quarter ended 31 March 2024 was 6.8%. At the end of the period, the aggregate leverage for the Group was 57.2% (31 December 2023: 58.3%) and the interest coverage ratio¹ was 2.0 times (31 December 2023: 2.11 times). As a result of the partial repayments of SBLC loans, the aggregate leverage decreased to 55.6% as at 30 April 2024. Due to the changing global economic conditions, ECW expects the blended interest rates for the Offshore Facilities and Revolving Credit Facilities will increase further due to a small portion of offshore loans unhedged.

(d) The restructuring of Onshore and Offshore Facilities

The lenders of the Onshore Facility are in the process of obtaining internal approvals on the restructuring of the Onshore Facility. As for Offshore Facility, due to insufficient funds generated by the ECW Group following the novation of underlying leases, the ECW Group is not able to pay the principal and interest expenses due on 30 April 2024 under the Offshore Facility. The Manager is still in negotiations with the lenders of the Offshore Facility to restructure them.

The Manager has not received any indication from the lenders that they intend to accelerate the existing banks loans under the ECW facilities at this juncture.

(e) 2023 Facilities financial covenants

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

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

As a result of the decline in the property valuations of ECW, the total borrowings and deferred payments (collectively, the “**Aggregate Leverage**”) of ECW is 57.2%. Pursuant to paragraph 9.4(a) of the Property Funds Appendix, the Aggregate Leverage Limit of ECW will not be considered to be breached given that the change in the Aggregate Leverage of ECW was due to circumstances beyond the control of the Manager, such as the depreciation in the asset value of the properties of ECW. Nevertheless, under the existing Offshore Facility agreement, the leverage ratio together with the financial covenants (a) and (b) as set out in the above table have been breached. In such a scenario, the Manager shall not incur additional borrowings or enter into further deferred payment arrangements. The Manager intends to resolve these issues by restructuring the ECW Group’s existing Offshore Facility.

The ECW Group is in the process of seeking various waivers from the lenders of the ECW Facilities in relation to, among others, the foregoing.

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

		1.1.24 to 31.3.24	1.1.23 to 31.3.23
	Notes	S\$'000	S\$'000
Cash Flows from Operating Activities			
Total return for the financial period		6,070	6,918
Adjustments for:			
- Income tax		3,733	6,612
- Interest income		(349)	(470)
- Finance cost		11,755	11,099
- Effect of straight lining of step-up rental		94	244
- Effect of security deposits accretion		(707)	(734)
- Fair value (gain)/loss on derivative instruments		(1,955)	3,186
- Exchange loss/(gain)		2,722	(2,680)
Operating cash flow before working capital change		21,363	24,175
Changes in working capital:			
Trade and other receivables		(20,557)	(4,980)
Trade and other payables		2,073	(2,144)
Cash generated from operating activities		2,879	17,051
Interest received		349	470
Income tax paid		(1,551)	(1,123)
Net cash generated from operating activities		1,677	16,398
Cash Flows from Investing Activities			
Additions to investment properties		(94)	-
Receipt of partial consideration for disposal of assets		-	25,864
Net cash generated from investing activities		(94)	25,864
Cash Flows from Financing Activities			
Repayment of bank borrowings	(1)	(9,794)	(64,492)
Distribution to Unitholders		-	(2,896)
Payment of loan transaction fees		-	(225)
Interest paid		(9,357)	(6,881)
SBLC commission paid		(1)	(6)
Release/(placements) of deposits for SBLC facilities, net		10,332	(35)
Release from/(deposit to) escrow account, net	(2)	-	36,913
Release from/(refund to) interest reserves, net		5,331	(6)
Net cash used in financing activities		(3,489)	(37,628)
Net (decrease)/increase in cash and cash equivalents		(1,906)	4,634
Cash and cash equivalents at beginning of financial period		7,180	6,335
Effects of exchange rate changes on cash and cash equivalents		21	(1)
Cash and cash equivalents at the end of financial period	(2)	5,295	10,968

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
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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	
	31.3.24	31.3.23
	S\$'000	S\$'000
Cash and cash equivalents	83,891	126,789
Less:		
- Interest reserves [#]	(243)	(16,340)
- Escrow Account	-	(2,170)
- Cash collateral for SBLC facilities	(78,353)	(97,311)
Cash and cash equivalents per consolidated statement of cash flows	5,295	10,968

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

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
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1(d)(i) Statements of Changes in Unitholders’ Funds

	Group	
	1.1.24 to 31.3.24	1.1.23 to 31.3.23
	S\$'000	S\$'000
OPERATIONS		
Balance as at beginning of the period	300,841	777,277
Total return after tax	6,070	6,918
Distributions to unitholders	-	(2,896)
Balance as at end of the period	306,911	781,299
GENERAL RESERVES		
Balance as at beginning of the period	38,605	33,155
Balance as at end of the period	38,605	33,155
UNITHOLDERS' CONTRIBUTION		
Balance as at beginning of the period	(77,627)	(77,627)
Balance as at end of the period	(77,627)	(77,627)
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance as at beginning of the period	(166,958)	(125,811)
Translation differences relating to financial statements of foreign subsidiaries	2,675	253
Balance as at end of the period	(164,283)	(125,558)
Total Unitholders' funds as at end of the period	103,606	611,269

	ECW	
	1.1.24 to 31.3.24	1.1.23 to 31.3.23
	S\$'000	S\$'000
OPERATIONS		
Balance as at beginning of the period	(9,121)	(13,772)
Total return after tax	12,823	7,799
Distributions to unitholders	-	(2,896)
Balance as at end of the period	3,702	(8,869)
UNITHOLDERS' CONTRIBUTION		
Balance as at beginning of the period	(77,627)	(77,627)
Balance as at end of the period	(77,627)	(77,627)
Total Unitholders' funds as at end of the period	(73,925)	(86,496)

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

	Group and ECW	
	1.1.24 to 31.3.24	1.1.23 to 31.3.23
	Units	Units
Balance as at the beginning/end of period	809,838,247	809,838,247

- 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 auditor's report (including any qualifications or emphasis of matter)**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied**

ECW has applied the same accounting policies and methods of computation in the preparation of financial statements for the current reporting period compared with the unaudited financial statement for the financial year ended 31 December 2023.

EC WORLD REAL ESTATE INVESTMENT TRUST ("ECW")
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5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change

Not applicable.

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

		Group	
Notes	1.1.24 to 31.3.24	1.1.23 to 31.3.23	
Weighted average number of units as at end of period	809,838,247	809,838,247	
Earnings per unit ("EPU") - Basic and Diluted (cents)	(1) 0.75	0.85	
Number of units entitled to distribution	809,838,247	809,838,247	
Calculated Distribution per unit ("DPU") (cents)	(2) 0.904	1.127	
Calculated Distribution per unit ("DPU") (cents) - Annualised	3.636	4.571	

Notes

- (1) EPU calculation uses the total return for the period after tax, and the weighted average number of units issued. The diluted EPU is the same as basic EPU as no dilutive instruments were in issue during the period.
- (2) DPU was computed and rounded based on the number of units entitled to distribution at the end of the period. The next distribution to Unitholders will be for the period from 1 January 2024 to 30 June 2024.

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

	As at 31.3.24	As at 31.12.23
NAV / NTA of Group - attributable to Unitholders (S\$'000)	103,606	94,861
NAV / NTA of REIT (S\$'000)	(73,925)	(86,748)
Number of units outstanding as at end of each period ('000)	809,838	809,838
Group's net asset value per unit (S\$)	0.13	0.12
ECW's net asset value per unit (S\$)	(0.09)	(0.11)

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

Review of performance for the quarter ended 31 March 2024

Gross revenue of S\$25.3 million was S\$2.8 million or 10.1% lower compared to 1Q2023. Net property income (“NPI”) of S\$23.3 million was S\$2.8 million or 10.6% lower compared to 1Q2023. In RMB terms, the gross revenue and NPI were 6.0% and 6.6% lower respectively compared to 1Q2023. After straight-line rental adjustment, rental security deposit accretion and other relevant distribution adjustments, gross revenue and NPI in RMB terms were 6.7% and 7.3% lower respectively compared to 1Q2023, mainly due to discontinuation of China Tobacco leases in relation to Hengde Logistics Phase I, lower rental income from Chongxian Port Logistics, offset by higher late fee, organic rental escalations and lower operating expenses at the Properties.

Finance costs of S\$11.8 million were S\$0.7 million or 5.9% higher compared to 1Q2023 mainly due to higher interest rate in the quarter.

Calculated Distribution to Unitholders of S\$7.3 million represents S\$1.8 million or 19.8% decrease compared to 1Q2023, mainly due to lower revenue and higher finance cost.

9. Variance between the forecast

ECW did not disclose any financial forecast to the market.

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

According to the National Bureau of Statistics of the PRC, the China’s economy in 1QFY2024 expanded by 5.3% year-on-year and 1.6% from the previous quarter². This is supported by total retail sales of RMB12,032.7 billion, rising 4.7% year-on-year³. Industrial production in March rose 4.5% year-on-year⁴. IMF forecast that China’s 2024 growth to fall to 4.6% from 5.2% in 2023 and with a further drop to 4.1% for 2025⁵.

Real estate sector continued to show weakness, with property investment tumbling 9.5% year on year in 1QFY2024⁶. Floor space of new commercial buildings sold was 226.68 million square meters, plunging 19.4% year-on-year⁷. Funds for investment for Real Estate Development Enterprises fell 26.0% from the previous year⁶. Among them, the foreign investment was RMB700 million, down by 11.9%⁶.

The IMF forecast global real GDP growth of 3.2% for 2024 and 2025⁵. Global median headline inflation is expected to fall to 2.8% by the end of 2024 from 4% last year and to 2.4% in 2025⁸. Global conflicts may escalate out of the uncertainty in the Middle East and Central Europe and add to increase in oil prices and inflation, triggering tighter monetary policy from central banks.

To date of this announcement, the unauthorized mortgages imposed over Fuzhou E-commerce and Fuheng Warehouse have not yet been discharged. ECW will continue to face serious financial stress in the short to medium term while the trading of the units of ECW will continue to be suspended until the financial situation has improved.

² https://www.stats.gov.cn/english/PressRelease/202404/t20240416_1954583.html

³ https://www.stats.gov.cn/english/PressRelease/202404/t20240424_1955013.html

⁴ https://www.stats.gov.cn/english/PressRelease/202404/t20240423_1954863.html

⁵ <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

⁶ https://www.stats.gov.cn/english/PressRelease/202404/t20240424_1955015.html

⁷ <https://www.cnb.com/2024/04/16/chinas-q1-gdp-grew-5point3percent-in-the-first-quarter-beating-expectations.html>

⁸ <https://www.imf.org/-/media/Files/Publications/WEO/2024/April/English/ch1.ashx>

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

(a) Current financial period

Any distributions declared for the current financial period? No

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? No

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

No distribution has been declared for the period from 1 January 2024 to 31 March 2024. ECW will make distributions on a half-yearly basis, in respect of the periods commencing on or after 1 January 2023. Subject to the availability of funds, the next distribution to Unitholders will be for the period from 1 January 2024 to 30 June 2024.

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

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

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

14. Segmental results

	Group			
	1.1.24 to 31.3.24		1.1.23 to 31.3.23	
	S\$'000	%	S\$'000	%
Gross revenue				
- Port logistics	10,568	41.8	11,686	41.5
- Specialised logistics	872	3.5	2,943	10.5
- E-commerce logistics	13,856	54.7	13,505	48.0
	25,296	100.0	28,134	100.0
Net property income				
- Port logistics	9,982	42.8	11,085	42.5
- Specialised logistics	614	2.6	2,605	10.0
- E-commerce logistics	12,715	54.6	12,388	47.5
	23,311	100.0	26,078	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		
	1.1.24 to 31.3.24	1.1.23 to 31.3.23	Change
	S\$'000	S\$'000	%
<u>First half of the year</u>			
Gross revenue	25,296	28,134	(10.1)
Net property income	23,311	26,078	(10.6)

Please refer to Item 8 for review of actual performance.

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

17. Breakdown of total calculated distribution for the financial period ended 31 March 2024

In respect of the period:

1 January 2023 to 31 March 2023

1 January 2024 to 31 March 2024

(Next distribution will be for the period from 1 January 2024 to 31 December 2024)

Group	
1.1.24 to 31.3.24	1.1.23 to 31.3.23
S\$'000	S\$'000
-	9,128
7,320	-
7,320	9,128

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

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

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

Not applicable as there was no distribution declared for the period from 1 January 2024 to 31 March 2024.

20. Confirmation pursuant to Rule 705(5) of Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render these unaudited interim financial statements of the Group and ECW (comprising the statement of financial position as at 31 March 2024, statement of total return & distribution statement, statement of cash flows and statement of movements in Unitholder's funds for the quarter ended on that date), together with their accompanying notes, to be false or misleading, in any material aspect.

**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
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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
13 May 2024