
**EC WORLD REAL ESTATE INVESTMENT TRUST (“ECW”)
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

INTRODUCTION

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

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

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

ECW’s initial IPO portfolio comprised six properties (collectively known as the “IPO Properties”) located in Hangzhou, the PRC, with an aggregate net lettable area (“Net Lettable Area” or “NLA”) of 698,478 square meters. The six properties are:

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

On 16 April 2018, ECW successfully completed the acquisition of Wuqiao Zhonggong Merlot (Hubei) Logistics Co., Ltd. which is the sole legal and beneficial owner of the industrial property known as the Wuhan Property.

<p>DBS Bank Ltd. was the sole financial adviser, global coordinator and issue manager for the initial public offering of ECW. DBS Bank Ltd., Bank of China Limited, Singapore Branch, China International Capital Corporation (Singapore) Pte. Limited and Maybank Kim Eng Securities Pte. Ltd. were the joint bookrunners and underwriters for the initial public offering of ECW.</p>

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Summary Results of ECW

		Group		
		1.1.18 to 31.3.18	1.1.17 to 31.3.17	Change
Notes		S\$'000	S\$'000	%
Gross revenue	(1)	23,939	23,663	1.2
Net property income	(2)	21,490	21,601	(0.5)
Income available for distribution		11,562	12,024	(3.8)
Distribution per unit ("DPU") (cents)	(3)	1.469	1.541	(4.7)
Annualised distribution yield (%)				
- Based on share price of S\$0.74 per unit as at 31 March 2018		8.05	8.45	(4.7)

Notes:

- (1) The gross revenue without effective rent and security deposit accretion accounting adjustment was S\$23.3 million in 1Q18 (1Q17: S\$22.4 million).
- (2) The net property income without effective rent and security deposit accretion accounting adjustment was S\$20.9 million in 1Q18 (1Q17: S\$20.4 million).
- (3) The distribution to Unitholders is based on 100% of the distributable income of ECW for the quarter.

In the interest of the Unitholders, ECW has been making quarterly distribution since its first distribution on 28 November 2016. The next distribution for the period from 1 January 2018 to 31 March 2018 will be made on or around 29 June 2018.

Distribution and Book Closure Date

Distribution	1 January 2018 to 31 March 2018
Distribution type	Capital distribution
Distribution rate	1.469 cents
Book closure date	18 May 2018
Payment date (est)	29 June 2018

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

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1(a) Statement of Total Return and Distribution Statement

Statement of Total Return		Group		
		1.1.18 to 31.3.18	1.1.17 to 31.3.17	Change
		S\$'000	S\$'000	%
	Notes			
Gross revenue	(1)	23,939	23,663	1.2
Property expenses	(2)	(2,449)	(2,062)	18.8
Net property income		21,490	21,601	(0.5)
Finance income		431	314	37.3
Finance costs		(6,792)	(6,269)	8.3
Manager's management fees	(3)			
- Base fees		(1,159)	(1,202)	(3.6)
- Performance fees		71	(107)	(166.4)
Trustee's fees		(72)	(68)	5.9
Foreign exchange (loss)/gain	(4)	(1,195)	1,366	(187.5)
Other trust expenses	(5)	(346)	(368)	(6.0)
Net income		12,428	15,267	(18.6)
Net change in fair value of financial derivatives	(6)	512	(1,031)	(149.7)
Total return for the financial period before income tax		12,940	14,236	(9.1)
Income tax expenses		(4,244)	(3,806)	11.5
Total return for the financial period after income tax before distribution		8,696	10,430	(16.6)
Distribution statement				
Total return for the financial period after income tax before distribution		8,696	10,430	(16.6)
Distribution adjustments	(7)	2,866	1,594	79.8
Total amount available for distribution		11,562	12,024	(3.8)

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) 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. For the financial year ended 31 December 2017, the difference in DPU shall be the difference between the actual DPU in such Financial Year and the actual annualised DPU in the Financial Year ended 31 December 2016.
- (4) Mainly due to revaluation of loans in foreign currency.

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- (5) Other trust expenses include professional fees, listing fees and other non-property related expenses.
- (6) Net change in fair value of financial derivatives was due to:
- (a) Realised loss of S\$0.27 million on settlement of forward currency contracts for the period ended 31 March 2018. In the same period ended 31 March 2017, realised loss of S\$0.19 million on settlement of currency swap options, and
- (b) Revaluation of financial derivative instruments which were put in place by the Manager to hedge interest rate risks and RMB income source of ECW
- (7) Net effect of non (taxable income) / tax deductible expenses and other adjustments comprises:

	Group		
	1.1.18 to 31.3.18	1.1.17 to 31.3.17	Change
	S\$'000	S\$'000	%
Straight lining of step-up rental	81	(561)	(114.4)
Security deposit accretion	(2)	(37)	(94.6)
Manager's base fees paid/payable in units	1,159	1,202	(3.6)
Manager's performance fees payable in units	(71)	107	(166.4)
Trustee's fees	72	68	5.9
Deferred tax charged, net	(57)	151	(137.7)
Fair value (gain)/loss on financial derivatives	(512)	1,031	(149.7)
Amortisation of upfront debt issuance costs	1,023	999	2.4
Foreign exchange loss/(gain), net (unrealised)	1,195	(1,366)	(187.5)
Others	(22)	-	N/M
Total distribution adjustments	2,866	1,594	79.8

ECW's current distribution policy is to distribute at least 90% of distributable income for each financial year on a semi-annual basis. The Manager will determine at a later stage whether it will change subsequent distributions periods from a semi-annual basis to quarterly basis.

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1(b)(i) Balance Sheet

		Group		ECW	
		Actual		Actual	
		31.3.18	31.12.17	31.3.18	31.12.17
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	(1)	138,018	138,644	7,440	6,823
Derivative financial assets	(2)	82	-	82	-
Trade and other receivables		40,155	35,585	603	357
Loans to subsidiaries		-	-	241,557	241,557
		178,255	174,229	249,682	248,737
Non-current assets					
Investment properties	(3)	1,359,661	1,337,010	-	-
Investment in subsidiaries		-	-	- *	- *
		1,359,661	1,337,010	- *	- *
Total assets		1,537,916	1,511,239	249,682	248,737
LIABILITIES					
Current liabilities					
Trade and other payables		27,156	24,597	5,654	4,055
Borrowings	(4)	40,177	40,142	38,000	38,000
Derivative financial liabilities	(2)	596	1,296	596	1,296
Current income tax liabilities		12,618	9,867	2	2
		80,547	75,902	44,252	43,353
Non-current liabilities					
Borrowings	(4)	398,522	395,359	197,331	196,838
Deferred income tax liabilities	(5)	267,367	263,061	-	-
Trade and other payables		59,611	58,640	-	-
Government grant		662	659	-	-
		726,162	717,719	197,331	196,838
Total liabilities		806,709	793,621	241,583	240,191
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS					
		731,207	717,618	8,099	8,546
Represented by:					
Unitholders' funds	(6)	785,275	788,380	8,099	8,546
Foreign currency translation reserve		(54,068)	(70,762)	-	-
		731,207	717,618	8,099	8,546

* Less than S\$1,000.

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Notes

- (1) Includes RMB301.7 million (S\$62.9 million) cash security deposits received from the master leases and cash deposits of RMB206 million (S\$42.9 million) as collateral for standby letter of credit (“SBLC”) issuance. Both deposits were placed with DBS Bank (China) Limited which has a 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 2018, the derivative instruments entered into are:
- Plain vanilla interest rate swaps (to hedge the interest rate of the Offshore Facility); and
 - Forward contracts (to hedge the expected income repatriation from China to Singapore).
- (3) Represents the carrying values of the investment properties, including asset enhancement initiatives, effective rental adjustments and translation differences. The investment properties are pledged as security for the borrowings of ECW and its subsidiaries (collectively, the “Group”).

The investment properties, constituted at IPO, comprise six properties located in Hangzhou, the PRC.

- (4) Please refer to item 1(b)(ii) Aggregate Amount of Borrowings and Debt Securities for details.
- (5) Relates mainly to the deferred tax liability arising from the increase in valuation of investment properties in China.
- (6) Please refer to item 1(d)(i) Statement of Changes in Unitholders’ Funds for details.

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

	Group		ECW	
	31.3.18	31.12.17	31.3.18	31.12.17
	S\$'000	S\$'000	S\$'000	S\$'000
Secured borrowings				
Amount repayable in one year or less	40,209	40,173	38,000	38,000
Less: Unamortised debt issuance costs	(32)	(31)	-	-
	40,177	40,142	38,000	38,000
Amount repayable after one year	403,742	401,505	200,000	200,000
Less: Unamortised debt issuance costs	(5,220)	(6,146)	(2,669)	(3,162)
	398,522	395,359	197,331	196,838
Total borrowings	438,699	435,501	235,331	234,838

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Note:

Details of Collaterals and Borrowings

As at 31 March 2018, ECW has an aggregate borrowing of RMB988.3 million (S\$206.0 million) (31 December 2017: RMB993.6 million, equivalent to S\$207.1 million) from the Onshore secured term loans facility (the “**Onshore Facilities**”), S\$200.0 million syndicated secured term loan facility (the “**Offshore Facility**”) and S\$38.0 million revolving credit facility.

The key terms of the Onshore Facilities and the Offshore Facility are as follows:

(a) Onshore Facilities

ECW has put in place a 3-year RMB1,004.2 million (S\$209.3 million) secured term loan facility. The portion of the loan due for repayment within one year has been classified as current liability.

The facilities are secured by way of:

- i) A first ranking pledge over the entire issued equity interest of the Group’s subsidiary, Hangzhou Chongxian Port Logistics Co., Ltd.;
- ii) an unconditional and irrevocable guarantee from the Onshore Guarantors on a joint and several basis, where the “Onshore Guarantors” refer to the Group’s subsidiaries Hangzhou Fu Zhuo Industrial Co., Ltd., Hangzhou Fu Heng Warehouse Co., Ltd., and Hangzhou Chongxian Port Logistics 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 IPO Properties;
- iv) A pledge of all sales proceeds, rental income, bond pledge and all other revenue derived from the IPO Properties;
- v) An assignment of all material agreements in relation to the IPO Properties;
- vi) An assignment of all insurance policies in relation to the IPO Properties with the onshore security agent (being DBS Bank (China) Limited) named as the first beneficiary;
- vii) An assignment of all present and future rights and interests of the Onshore Borrowers in relation to inter-company debts and shareholder loans made by the Offshore Guarantor (ECW) and/or the Singapore Holding Companies (which consists of Fullwealth Investment Pte. Ltd., Richwin Investment Pte. Ltd., Prorich Investment Pte. Ltd., Richport Investment Pte. Ltd. and Magnasset Investment Pte. Ltd.);
- viii) A subordination deed in relation to the inter-company debts and shareholder loans made to the Onshore Borrowers and/or the Onshore Guarantors; and
- ix) Any other security as may be reasonably required by the lenders.

The annualised all-in interest rate for the 3 months ended 31 March 2018 was 6.3%. The annualised all-in running interest rate for the 3 months ended 31 March 2018 was 5.3%. As at 31 March 2018, the above facilities were fully drawn down.

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(b) Offshore Facility

ECW has a 3-year S\$200 million syndicated secured term loan facility secured by way of:

- i) An unconditional and irrevocable guarantee from the Singapore Holding Companies (which consists of Fullwealth Investment Pte. Ltd., Richwin Investment Pte. Ltd., Prorich Investment Pte. Ltd., Richport Investment Pte. Ltd. and Magnasset Investment Pte. Ltd.) on a joint and several basis;
- ii) A first ranking pledge over the entire issued share capital of each of the Singapore Holding Companies;
- iii) A first ranking pledge over the entire issued equity interest of each of the PRC Property Companies (which consists of Hangzhou Chongxian Port Investment Co., Ltd., Hangzhou Bei Gang Logistics Co., Ltd., Hangzhou Fu Zhuo Industrial Co., Ltd., Hangzhou Fu Heng Warehouse Co., Ltd. and Zhejiang Hengde Sangpu Logistics Co., Ltd.);
- iv) A first priority account charge over all bank accounts of ECW (as the “Offshore Borrower”) relating to and/or in connection with the IPO Properties and its existing revenue account, operating account and fixed deposit account, and all bank accounts of the Singapore Holding Companies;
- v) A first fixed and floating charge and debenture over all the assets of the Offshore Borrower relating to and/or in connection with the IPO Properties, and over all of the assets of the Singapore Holding Companies (other than the dividends attributable solely to revenue from Stage 2 Properties), including the assignment of all the rights and benefits under all material contracts, inter-company loans, property management agreement and hedging agreements; and
- vi) A subordination in relation to inter-company debts and shareholder loans made by ECW or any of its subsidiaries other than shareholder’s loan obtained solely in relation to future property acquisition.

The annualised all-in interest rate for the 3 months ended 31 March 2018 was 5.2%. The annualised all-in running interest rate for the 3 months ended 31 March 2018 was 4.1%. As at 31 March 2018, the above facilities were fully drawn down and 100% of the interest rate risk of the Offshore Facility was hedged using floating to fixed interest rate swaps.

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

(c) Revolving Credit Facility

ECW has put in place an uncommitted revolving credit facility of S\$50.0 million with DBS Bank Ltd. As at 31 March 2018, ECW had drawn down a total of S\$38.0 million short-term loan backed by SBLC of S\$38.0 million issued by DBS Bank (China) Limited in favor of DBS Bank Ltd. The SBLC is collateralised against a cash deposit of RMB206 million (S\$42.9 million). The annualised all-in interest rate and annualised all-in running interest rate for the 3 months ended 31 March 2018 was 1.8%.

The annualised all-in interest rate of the aggregated facilities for the 3 months ended 31 March 2018 was 5.4%. The annualised all-in running interest rate for the 3 months ended 31 March 2018 was 4.5%. The Aggregate Leverage for the Group as at the end of the period was 28.9%.

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1(c) Cash Flows Statement

		Group	
		1.1.18 to 31.3.18	1.1.2017 to 31.3.2017
		S\$'000	S\$'000
	Notes		
Cash Flows from Operating Activities			
Total return for the financial period		8,696	10,430
Adjustments for:			
- Income tax		4,244	3,806
- Interest income		(431)	(314)
- Finance cost		6,792	6,269
- Effect of straight lining of step-up rental		81	(561)
- Effect of security deposits accretion		(694)	(688)
- Fair value loss on derivative instruments		(512)	1,031
- Manager's base fees payable in units		1,159	1,202
- Manager's performance fees payable in units		(71)	107
- Exchange loss/(gain)		1,195	(1,366)
Operating cash flow before working capital change		20,459	19,916
Changes in working capital:			
Trade and other receivables		(4,493)	(2,556)
Trade and other payables		4	(11,044)
Cash generated from operating activities		15,970	6,316
Interest received		355	306
Income tax paid (net)		(1,715)	(468)
Net cash provided by operating activities		14,610	6,154
Cash Flows from Investing Activities			
Additions to investment properties		(556)	(350)
Redemption of structured deposits	(1)	-	7,700
Net cash (used in)/provided by investing activities		(556)	7,350
Cash Flows from Financing Activities			
Repayment of borrowings		(1,090)	(1,081)
Distribution to Unitholders		(11,801)	(11,390)
Proceeds from borrowings	(2)	-	12,000
Interest paid		(4,894)	(4,580)
SBLC commission paid		(191)	(60)
Settlement of derivative financial instruments (net)		(270)	(187)
Placements of deposits for SBLC facilities	(2)	-	(13,176)
Increase in interest reserves		(5)	(5)
Issuance costs	(3)	-	(128)
Net cash used in financing activities		(18,251)	(18,607)
Net decrease in cash and cash equivalents		(4,197)	(5,103)
Cash and cash equivalents at beginning of financial period		87,150	94,338
Effects of exchange rate changes on cash and cash equivalents		2,776	(2,451)
Cash and cash equivalents at the end of financial period	(4)	85,729	86,784

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Notes

- (1) The RMB37.0 million placed with financial institutions which invested in debt securities in December 2016 had been fully redeemed in January 2017.
- (2) Refer to Item 1(b)(ii) Aggregate Amount of Borrowings and Debt Securities for details.
- (3) IPO underwriters’ fee and legal fee incurred in accordance with transaction costs as disclosed in the Prospectus.
- (4) For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	31.3.18	31.3.17
	S\$’000	S\$’000
Cash and cash equivalents (as per Balance Sheet)	138,018	109,148
Less:		
- Interest reserves [#]	(9,359)	(9,188)
- Cash collateral for SBLC facilities	(42,930)	(13,176)
Cash and cash equivalents per consolidated statement of cash flows	85,729	86,784

[#] Bank deposits maintained as interest reserves, as required by the offshore term loan and onshore syndicated loan facility agreements.

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

		Group	
		1.1.18 to 31.3.18	1.1.17 to 31.3.17
		S\$'000	S\$'000
	Note		
OPERATIONS			
Balance as at beginning of the period		765,733	718,118
Total return after tax		8,696	10,430
Balance as at end of the period		774,429	728,548
UNITHOLDERS' CONTRIBUTION			
Balance as at beginning of the period		22,647	64,582
Movement during the period			
- Issuance costs	(1)	-	(128)
- Distributions to unitholders		(11,801)	(11,390)
Balance as at end of the period		10,846	53,064
FOREIGN CURRENCY TRANSLATION RESERVE			
Balance as at beginning of the period		(70,762)	(56,581)
Translation differences relating to financial statements of foreign subsidiaries		16,694	(25,342)
Balance as at end of the period		(54,068)	(81,923)
Total Unitholders' funds as at end of the period		731,207	699,689

		ECW	
		1.1.18 to 31.3.18	1.1.17 to 31.3.17
		S\$'000	S\$'000
	Note		
OPERATIONS			
Balance as at beginning of the period		(14,101)	(9,255)
Total return after tax		11,354	(4,962)
Balance as at end of the period		(2,747)	(14,217)
UNITHOLDERS' CONTRIBUTION			
Balance as at beginning of the period		22,647	64,582
Movement during the period			
- Issuance costs	(1)	-	(128)
- Distributions to unitholders		(11,801)	(11,390)
Balance as at end of the period		10,846	53,064
Total Unitholders' funds as at end of the period		8,099	38,847

Note

- (1) IPO underwriters' fee and legal fee incurred in accordance to transaction costs as disclosed in the Prospectus paid during the quarter.

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

		Group and ECW	
		1.1.18 to 31.3.18	1.1.17 to 31.3.17
		Units	Units
Balance as at beginning of period		784,657,527	778,515,845
Issued units as at the end of period		784,657,527	778,515,845
Units to be issued	(1)		
- Manager's base fees payable in units for 1.10.16 to 31.12.16		-	1,602,004
- Manager's base fees payable in units for 1.1.17 to 31.3.17		-	1,588,664
- Manager's base fees payable in units for 1.10.17 to 31.12.17		1,554,527	-
- Manager's base fees payable in units for 1.1.18 to 31.3.18		1,564,099	-
- Manager's performance fees payable in units for 01.10.17 to 31.12.17		689,411	-
Total issued and to be issued units		788,465,564	781,706,513

Note

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

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

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard, (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures in this announcement have neither been audited nor reviewed by the auditors.

- 3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

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

Except as disclosed in item 5 below, ECW has applied the same accounting policies and methods of computation in the preparation of financial statements for the current reporting period compared with the audited financial statement for the financial year ended 31 December 2017.

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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

ECW has adopted new Financial Reporting Standards in Singapore ("FRSs") and interpretations effective for the financial period beginning 1 January 2018 as follows:

(i) FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

There was no significant impact to the financial statements of the Group. Accordingly, comparative financial information presented in this set of announcement has not been restated.

(ii) FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets, and hedge accounting. FRS 109 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

There was no change in measurement basis arising from the adoption of the new classification and measurement model. In assessing for impairment losses on financial assets, the Group has adopted the simplified approach and recorded lifetime expected losses on all trade receivables using the expected credit loss model.

There was no significant impact to the financial statements of ECW. Accordingly, ECW did not recognise any adjustments to the opening unitholders' funds on 1 January 2018.

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

		Group	
Notes		1.1.18 to 31.3.18	1.1.17 to 31.3.17
Weighted average number of units as at end of period		784,657,527	778,515,845
Earnings per unit ("EPU") - Basic and Diluted (cents)	(1)	1.11	1.34
Number of units entitled to distribution		786,901,465	780,117,849
Distribution per unit ("DPU") (cents)	(2)	1.469	1.541
Distribution per unit ("DPU") (cents) - Annualised		5.958	6.250

Notes

- (1) EPU calculation uses the total return for the period after tax, and the weighted average number of units issued. The diluted EPU is the same as basic EPU as no dilutive instruments were in issue during the period.
- (2) DPU was computed and rounded based on the number of units entitled to distribution at the end of the period. Distribution of 1.469 cents per unit for period 1 January 2018 to 31 March 2018 will be paid on or around 29 June 2018.

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

	As at 31.3.18	As at 31.12.17
NAV / NTA of Group - attributable to Unitholders (S\$'000)	731,207	717,618
NAV / NTA of REIT (S\$'000)	8,099	8,546
Number of units outstanding as at end of each period ('000)	784,658	784,658
Group's net asset value per unit (S\$)	0.93	0.91
REIT's net asset value per unit (S\$)	0.01	0.01

8. Review of the Performance

(i) Review of performance for the quarter ended 31 March 2018

Gross revenue was S\$23.9 million, S\$0.3 million or 1.2% higher when compared to 1Q 2017. Net property income ("NPI") was S\$21.5 million, S\$0.1 million or 0.5% lower when compared to 1Q 2017. The higher gross revenue was mainly due to strengthening of the RMB. Lower NPI was mainly due to higher property maintenance and repair expenses.

Finance costs were S\$6.8 million, S\$0.5 million or 8.3% higher when compared to 1Q 2017. This was mainly due to the renewal of SBLC in the quarter and the higher borrowings compared to same quarter last year.

Income tax expenses were S\$4.2 million, S\$0.4 million or 11.5% higher when compared to 1Q 2017. The higher tax expenses were due to the Manager's decision to repatriate cash from PRC asset companies in March 2018, incurring a 5% withholding tax ("WHT") in 1Q 2018. The Manager does not plan to repatriate any further cash from PRC asset companies for the rest of FY2018.

Distributable income was S\$11.6 million, S\$0.4 million or 3.8% lower when compared to 1Q 2017. The distributable income and DPU for 1Q 2018 without WHT would have been S\$12.4 million and 1.570 Singapore cents, 2.7% and 1.9% higher than 1Q 2017 respectively.

9. Variance between the forecast

ECW did not disclose any financial forecast to the market.

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

China's GDP grew 6.8%¹ in 1Q 2018 outperforming market expectation of 6.7%², whereas Hangzhou's 1Q 2018 GDP growth rate was 7.4%³. Hangzhou's GDP grew 0.6 percentage point faster than the national average.

According to China's National Bureau of Statistics, 1Q 2018 online retail sales in China grew 35.4% YoY, compared with a 9.8% growth in total retail sales of consumer goods¹. Online retail sales of physical goods now account for 16.1% of the total retail sales of consumer goods¹, which Euromonitor predicted will rise to 24% by 2020. On the other hand, Hangzhou e-commerce sector grew by 20.6%³ in 1Q18.

Our initial IPO portfolio of six assets, namely Chongxian Port Investment, Chongxian Port Logistics, Fuzhuo Industrial, Beigang Logistics, Fuheng Warehouse and Hengde Logistics are all located in Hangzhou. They continue to enjoy 100% committed occupancy with steady organic growth deriving from built-in escalations. These 6 assets also benefited from the urbanization and higher-than-national economic growth rate in Hangzhou.

On 16 April 2018, we announced the completion of the acquisition of our seventh asset, Wuhan Meiluote, an e-commerce logistics asset in Wuhan. Wuhan Meiluote, anchored by leading e-commerce players enjoyed an 82.2% occupancy rate as at 31 March 2018. The Manager and the property manager are currently negotiating potential new leases that will increase the occupancy rate in the near future.

Following our maiden acquisition of Wuhan Meiluote, we continue to actively pursue quality, yield-accretive investment opportunities in China and Southeast Asia. YCH Group and Forchn Holdings have on 24 April 2018 announced that Forchn has secured an opportunity for EC World REIT to assess for consideration an acquisition of a portfolio of 13 YCH logistics real estate assets. The Manager will provide updates on further developments at the appropriate juncture.

To reduce volatility in our distributions, interest rate exposure on the offshore loan as well as currency exposure for distributions to unitholders have been hedged.

¹ National Bureau Statistics of China: <http://www.stats.gov.cn>

² Reuters (16 April 2018): <https://www.cnbc.com/2018/04/16/chinese-q1-gdp-china-reports-first-quarter-gross-domestic-product.html>

³ Hangzhou Bureau of Statistics: <http://tjj.hangzhou.gov.cn>

11. Distribution

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: Distribution for the period from 1 January 2018 to 31 March 2018

Distribution types: Capital distribution

Distribution rate: 1.469 cents per unit

Par value of units: Not meaningful

Tax rate: The capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For Unitholders who hold the Units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

Remarks: The distribution to Unitholders is based on 100% of the distributable income for the period from 1 January 2018 to 31 March 2018.

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period?

Yes. A capital distribution of 1.541 cents per unit was declared for the period from 1 January 2017 to 31 March 2017.

(c) Date Payable (est.) 29 June 2018

(d) Books Closure 18 May 2018
Date/Record Date

12. If no distribution has been declared/(recommended), a statement to that effect.

Not applicable. A distribution has been declared for the period from 1 January 2018 to 31 March 2018.

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

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

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14. Segmental results

	Group			
	1.1.18 to 31.3.18		1.1.17 to 31.3.17	
	S\$'000	%	S\$'000	%
Gross revenue				
- Port logistics	11,256	47.0	10,931	46.2
- Specialised logistics	3,758	15.7	3,792	16.0
- E-commerce logistics	8,925	37.3	8,940	37.8
	23,939	100.0	23,663	100.0
Net property income				
- Port logistics	10,649	49.6	9,933	46.0
- Specialised logistics	3,445	16.0	3,250	15.0
- E-commerce logistics	7,396	34.4	8,418	39.0
	21,490	100.0	21,601	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 the review of the actual performance.

16. Breakdown of sales

	Group		
	1.1.18 to 31.3.18	1.1.17 to 31.3.17	Change
	S\$'000	S\$'000	%
<u>First half of the year</u>			
Gross revenue	23,939	23,663	1.2
Net property income	21,490	21,601	(0.5)

Please refer to Item 8 for review of actual performance.

17. Breakdown of total distribution for the financial period ended 31 March 2018

	Group	
	1.1.18 to 31.3.18	1.1.17 to 31.3.17
	S\$'000	S\$'000
In respect of the period:		
1 January 2017 to 31 March 2017	-	12,024
1 January 2018 to 31 March 2018 <i>(Payable on or around 29 June 2018)</i>	11,562	-
	11,562	12,024

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

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

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

The Manager hereby certifies that in relation to the distribution to the Unitholders for the quarter ended 31 March 2018:

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

ECW’s distribution policy is to distribute 100% of ECW’s distributable income for the period from the Listing Date to 31 December 2017. Thereafter, ECW will distribute at least 90% of its distributable income for each financial year. The actual distribution will be determined at the Manager’s discretion.

The distribution to Unitholders is based on 100% of the distributable income for the period from 1 January 2018 to 31 March 2018.

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

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 statements of financial position as at 31 March 2018, statement of total return & distribution statement, statement of cash flows and statement of movements in Unitholder’s funds for the quarter ended on that date), together with their accompanying notes, to be false or misleading, in any material aspect.

On behalf of the Board of Directors of
EC World Asset Management Pte. Ltd.
(as Manager of EC World Real Estate Investment Trust)

Zhang Guobiao
Chairman and Non-Executive Director

Goh Toh Sim
Executive Director and Chief Executive Officer

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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.

BY ORDER OF THE BOARD OF
EC WORLD ASSET MANAGEMENT PTE. LTD.
AS MANAGER OF EC WORLD REAL ESTATE INVESTMENT TRUST
(Company Registration No. 20153015N)

Goh Toh Sim
Executive Director and Chief Executive Officer
10 May 2018