

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

CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2025

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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 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); and
7. Fuzhou E-Commerce (E-commerce logistics).

SUMMARY RESULTS OF ECW

		Group					
		1.4.25 to 30.6.25	1.4.24 to 30.6.24	Change	1.1.25 to 30.6.25	1.1.24 to 30.6.24	Change
	Notes	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	(1)	9,885	25,937	(61.9)	22,564	51,233	(56.0)
Net property income	(1)	7,938	23,881	(66.8)	18,721	47,192	(60.3)
Calculated Distribution to Unitholders	(2)	-	6,212	n.m	-	13,532	n.m
Calculated Distribution per unit ("DPU") (cents)	(2)	-	0.767	n.m	-	1.671	n.m
Annualised distribution yield (%)	(2)	-	11.02	n.m	-	11.97	n.m

- Based on share price of S\$0.28 per unit as at 28 August 2023

Notes:

- (1) The decrease in gross revenue and net property income in 2Q2025 were mainly due to termination of master lease agreements ("MLAs") upon lease expiry. The decrease was mitigated by income contribution from new third-party leases secured for Hengde Logistics Phase I. After adjusting for relevant distribution adjustments in the Condensed Consolidated Distribution Statement, gross revenue and net property income were S\$9.9 million and S\$7.9 million respectively in 2Q2025 (2Q2024: S\$25.3 million and S\$23.3 million respectively).
- (2) ECW's distribution policy is to distribute at least 90% of distributable income for each financial year on a semi-annual basis. Since ECW's first distribution on 28 November 2016 and up to the period ending 31 December 2022, the distributions were made 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.

ECW's distribution in relation to the half-year period from 1 January 2023 to 30 June 2023 ("1H2023") intended to be made on 28 September 2023, had been deferred to a future date when ECW has sufficient free cash for the said distribution. 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.

Due to insufficient funds, there were no distribution for the periods from 1 July 2023 to 31 December 2024.

There will be no distribution for the half-year period from 1 January 2025 to 30 June 2025 ("1H2025"). It is highly likely that no distribution will be declared for the financial year 2025.

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

EC WORLD REAL ESTATE INVESTMENT TRUST
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CONSOLIDATED STATEMENT OF TOTAL RETURN

For the six months ended 30 June 2025

	Notes	6 months ended 30 June 2025 S\$'000	Group 6 months ended 30 June 2024 S\$'000	Change %	Remarks
Gross revenue		22,564	51,233	(56.0)	(1)
Property expenses		(3,843)	(4,041)	(4.9)	(2)
Net property income		18,721	47,192	(60.3)	
Finance income		11	(891)	N/M	(3)
Finance costs		(21,189)	(22,910)	(7.5)	(4)
Manager's base fees		(1,800)	(1,671)	7.7	(5)
Trustee's fees		(83)	(95)	(12.6)	
Exchange differences		12,040	(3,748)	N/M	(6)
Other trust expenses		(1,032)	(720)	43.3	(7)
Net income		6,668	17,157	(61.1)	
Net change in fair value of investment properties		(115,506)	(77,034)	49.9	(8)
Net change in fair value of financial derivatives		-	1,879	N/M	
Total return for the period before income tax		(108,838)	(57,998)	87.7	
Income tax expenses	7	23,510	8,804	>100	
Total return for the period after income tax before distribution		(85,328)	(49,194)	73.5	
Earnings per unit (cents)					
- Basic and diluted	8	(10.54)	(6.07)	73.6	(9)

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 ended 30 June 2025

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 income comprise interest come arising from bank deposits placed with financial institutions. The negative finance income in FY2024 was due to the reversal of interest income arising from the early release of SBLC deposits upon settlement of revolving credit facilities in April 2024.
- (4) Finance costs comprise interest expenses on borrowings, amortisation of capitalised transaction costs and other financing fees.
- (5) Manager's management fees consist of:
 - (a) A base fee based on estimated costs during the financial period, which is pending for future arrangement with effect from 1 January 2025; 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 2025 to 31 December 2025.
- (6) Foreign differences arose mainly from revaluation of loans in foreign currency.
- (7) Other trust expenses include professional fees and other non-property related expenses.
- (8) The investment properties were revalued on 30 June 2025 by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL").

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CONSOLIDATED STATEMENT OF TOTAL RETURN
For the six months ended 30 June 2025

- (9) 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.

	6 months ended 30 June 2025	6 months ended 30 June 2024
Weighted average number of units as at end of period	809,838,247	809,838,247
Earnings per unit ("EPU") – Basic and Diluted (cents)	(10.54)	(6.07)

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

EC WORLD REAL ESTATE INVESTMENT TRUST

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STATEMENTS OF FINANCIAL POSITION - GROUP AND ECW

As at 30 June 2025

		<u>Group</u> 31			<u>ECW</u> 31		
	Notes	30 June 2025 S\$'000	December 2024 S\$'000	Change %	30 June 2025 S\$'000	December 2024 S\$'000	Change % Remarks
ASSETS							
Current assets							
Cash and bank balances		5,025	4,513	11.3	1,156	1,004	15.1
Trade and other receivables		102,188	168,840	(39.5)	3,104	3,356	(7.5) (1)
Loans to subsidiaries		-	-	N/M	237,057	237,057	-
		<u>107,213</u>	<u>173,353</u>	<u>(38.2)</u>	<u>241,317</u>	<u>241,417</u>	<u>0.0</u>
Non-current assets							
Investment properties	9	566,892	713,726	(20.6)	-	-	N/M (2)
Investments in subsidiaries		-	-	N/M	39,588	39,588	-
		<u>566,892</u>	<u>713,726</u>	<u>(20.6)</u>	<u>39,588</u>	<u>39,588</u>	<u>-</u>
Total assets		<u>674,105</u>	<u>887,079</u>	<u>(24.0)</u>	<u>280,905</u>	<u>281,005</u>	<u>(0.0)</u>
LIABILITIES							
Current liabilities							
Trade and other payables		180,085	233,262	(22.8)	25,803	22,984	12.3
Loans from subsidiaries		-	-	N/M	330,771	331,943	(0.4)
Borrowings	10	461,728	473,260	(2.4)	-	-	N/M (3)
Current income tax liabilities		31,230	36,311	(14.0)	-	-	N/M
		<u>673,043</u>	<u>742,833</u>	<u>(9.4)</u>	<u>356,574</u>	<u>354,927</u>	<u>0.5</u>
Non-current liabilities							
Trade and other payables		1,381	2,540	(45.6)	-	-	N/M
Borrowings	10	6,817	7,122	(4.3)	-	-	N/M (3)
Deferred income tax liabilities		70,545	101,822	(30.7)	-	-	N/M (4)
Government grant		711	699	1.7	-	-	N/M
		<u>79,454</u>	<u>112,183</u>	<u>(29.2)</u>	<u>-</u>	<u>-</u>	<u>N/M</u>
Total liabilities		<u>752,497</u>	<u>855,016</u>	<u>(12.0)</u>	<u>356,574</u>	<u>354,927</u>	<u>0.5</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS							
		<u>(78,392)</u>	<u>32,063</u>	<u>N/M</u>	<u>(75,669)</u>	<u>(73,922)</u>	<u>2.4</u>
Represented by:							
UNITHOLDERS' FUNDS		<u>(78,392)</u>	<u>32,063</u>	<u>N/M</u>	<u>(75,669)</u>	<u>(73,922)</u>	<u>2.4 (5)</u>
UNITS IN ISSUE ('000)	11	809,838	809,838	-	809,838	809,838	-
NET ASSET VALUE PER UNIT (S\$)		<u>(0.10)</u>	<u>0.04</u>	<u>N/M</u>	<u>(0.09)</u>	<u>(0.09)</u>	<u>-</u>

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EC WORLD REAL ESTATE INVESTMENT TRUST

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STATEMENTS OF FINANCIAL POSITION - GROUP AND ECW

As at 30 June 2025

Remarks:

- (1) The decrease in trade and other receivables was primarily due to the utilisation of the security deposits of RMB345.1 million (S\$61.5 million) to offset rental receivables under the MLAs. Under the MLAs, the overdue rent receivables are subjected to a late payment interest of 0.03% per day.

The Group is monitoring closely the collection status of the outstanding rent receivables and will recognise impairment allowance where required.

As of 30 June 2025, 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 RMB321.1 million (S\$57.2 million). Of the outstanding rent receivables, RMB234.4 million (S\$41.8 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 RMB86.7 million (S\$15.4 million) represents the rent payable by the Sponsor Group pursuant to other related party leases.

The Manager has been in negotiation with the Sponsor on the Master Offset Agreement since 2024. As announced on 4 August 2025, the People's Court of Fuyang District, Hangzhou City, Zhejiang Province (the **"Fuyang Court"**) has ruled on 28 July 2025 that the Sponsor and its 68 related parties (the **"Sponsor Entities"**) would be consolidated into one single reorganisation arrangement. To protect unitholders' interest, the Manager has instructed PRC legal counsel (**"PRC Counsel"**) to assist in the debt claim submission as part of processes to reach a global settlement solution with the Sponsor via its Administrator. Pending Sponsor's reorganisation process, no impairment allowance was made at this stage.

In relation to the RMB32.6m (S\$5.8 million) Fu Zhuo Industrial compensation, the Manager is exploring various options including divestment of the underlying subsidiary to recover the outstanding receivables.

- (2) Represents the fair value of the investment properties based on the valuation as at 30 June 2025 conducted by JLL. 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. In RMB terms, the valuation as at 30 June 2025 was 16.9% lower at RMB3,183 million compared to the valuation of RMB3,829 million as at 31 December 2024.
- (3) Consists of term loan facilities drawn down in 3Q2019 which had been refinanced in May 2023. The decrease in borrowings was mainly due to weakening of USD and RMB against SGD. Please refer to Note 10 for details.
- (4) 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 on investment properties.
- (5) Please refer to Condensed Statements of Movements in Unitholders' Funds for details.

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EC WORLD REAL ESTATE INVESTMENT TRUST

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STATEMENTS OF FINANCIAL POSITION - GROUP AND ECW

As at 30 June 2025

- (6) As disclosed in Note 2 to the condensed interim financial statements, as at 30 June 2025, the current liabilities of the Group and ECW exceeded the current assets by S\$565,830,000 and S\$115,257,000 respectively. The Group's current liabilities include bank borrowings of S\$462,652,000, comprising S\$341,016,000 of offshore loans (the "**Offshore Facility**") and S\$121,636,000 of onshore loans (the "**Onshore Facility**"), both of which are repayable on demand due to the occurrence of a numbers of events of default under the Offshore Facility. ECW's current liabilities include loans from subsidiaries of S\$330,771,000 which are repayable on demand and will require repayment from ECW if the Offshore Facility is not refinanced or restructured as the Offshore Facility was drawn down by one of the subsidiaries for the purpose of funding ECW and the Group.

Notwithstanding, the going concern assumption has been used in the preparation of the accompanying financial statements on the basis disclosed in Note 2 to the condensed interim financial statements, including plans to divest the Group's properties and negotiations to refinance or restructure the Offshore Facility.

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 ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and ECW may have to provide for further liabilities that may arise, and to reclassify non-current assets as current assets and non-current liabilities as current liabilities respectively. The accompanying financial statements did not include any of these adjustments.

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

EC WORLD REAL ESTATE INVESTMENT TRUST
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CONSOLIDATED DISTRIBUTION STATEMENT
For the six months ended 30 June 2025

	6 months ended 30 June 2025 S\$'000	Group 6 months ended 30 June 2024 S\$'000
Total return for the period	(85,328)	(49,194)
Adjustment for net effect of non-tax (chargeable)/deductible items and other adjustments		
- Straight lining of step-up rental	-	189
- Security deposits accretion	-	189
- Trustee's fees	83	95
- Net fair value loss on investment properties	115,506	77,034
- Net deferred tax credit	(25,872)	(17,601)
- Net change in fair value of financial derivatives	-	(1,879)
- Amortisation of upfront debt issuance costs	817	2,190
- Net foreign exchange (gain)/loss	(12,018)	3,747
- Provision of withholding tax	160	265
	78,676	64,229
Amount available for distribution	-	15,035
Distribution to Unitholders	-	13,532
Number of units entitled to distribution	809,838,247	809,838,247
Distribution per Unit (cents)	-	1.671
Annualised Distribution per Unit (cents)	-	3.360

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EC WORLD REAL ESTATE INVESTMENT TRUST
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CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2025

		Group	
	Note	6 months ended 30 June 2025 S\$'000	6 months ended 30 June 2024 S\$'000
			Remark
Cash flows from operating activities			
Total return for the period		(85,328)	(49,194)
Adjustments for:			
- Income tax expenses	7	(23,510)	(8,804)
- Finance income		(11)	891
- Finance costs		21,189	22,910
- Effect of straight lining of step-up rental		-	189
- Effect of security deposits accretion		-	(1,417)
- Fair value gain on derivative financial instruments		-	(1,879)
- Fair value loss on investment properties		115,506	77,034
- Foreign exchange differences, net (unrealised)		(12,018)	3,992
Operating cash flow before working capital change		15,828	43,722
Change in working capital:			
Trade and other receivables		58,631	(43,163)
Trade and other payables		(68,289)	3,601
Cash generated from operating activities		6,170	4,160
Interest received		11	432
Income tax paid (net)		(3,037)	(3,093)
Net cash generated from operating activities		3,144	1,499
Cash flows from investing activities			
Additions to investment properties		(1)	(94)
Net cash used in investing activities		(1)	(94)
Cash flows from financing activities			
Repayment of borrowings		(89)	(64,606)
Interest paid		(2,421)	(12,395)
SBLC commission paid		-	(1)
Release of deposits for SBLC facilities		-	66,630
Utilisation of interest reserves		-	5,331
Net cash used in financing activities		(2,510)	(5,041)
Net increase/(decrease) in cash and cash equivalents		633	(3,636)
Cash and cash equivalents at beginning of the period		4,269	7,180
Effects of exchange rate changes on cash and cash equivalents		(111)	29
Cash and cash equivalents at the end of the period		4,791	3,573

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

EC WORLD REAL ESTATE INVESTMENT TRUST
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CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2025

Remarks:

- (1) Refer to Note 10 for details.
- (2) For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	<u>Group</u>	
	30 June	30 June
	2025	2024
	S\$'000	S\$'000
Cash and bank balances	5,025	26,471
Less:		
- Interest reserves [#]	(234)	(245)
- Cash collateral for SBLC facilities	-	(22,653)
Cash and cash equivalents per Consolidated Statement of Cash Flows	4,791	3,573

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

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 ended 30 June 2025*

	<u>Group</u>		<u>ECW</u>	
	6 months ended 30 June 2025 S\$'000	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2025 S\$'000	6 months ended 30 June 2024 S\$'000
OPERATIONS				
Beginning of the period	232,065	300,841	3,705	(9,121)
Total (loss)/return for the period	(85,328)	(49,194)	(1,747)	11,669
End of the period	146,737	251,647	1,958	2,548
GENERAL RESERVES*				
Beginning of the period	42,520	38,605	-	-
End of the period	42,520	38,605	-	-
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	(164,895)	(166,958)	-	-
Translation differences on consolidation of foreign subsidiaries	(25,127)	3,988	-	-
End of the period	(190,022)	(162,970)	-	-
Total Unitholders' funds at end of the period	(78,392)	49,655	(75,669)	(75,079)

* 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

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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 PRC.

2. Basis of preparation

This condensed consolidated interim financial statements for the period ended 30 June 2025 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 2024 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.

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

EC WORLD REAL ESTATE INVESTMENT TRUST

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

2. Basis of preparation (continued)

New or amended financial reporting standards effective this period

On 1 January 2025, 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 30 June 2025, the current liabilities of the Group and ECW exceeded the current assets by S\$565,830,000 and S\$115,257,000 respectively. The Group’s current liabilities include bank borrowings of S\$462,652,000, comprising S\$341,016,000 of offshore loans and S\$121,636,000 of onshore loans, both of which are repayable on demand due to the occurrence of a numbers of events of default under the Offshore Facility.

The trading of ECW units has been suspended since 31 August 2023. The Manager has applied to the SGX-ST to seek a waiver to allow an extension of time from 30 August 2024 to 31 May 2025 for ECW to submit a resumption proposal to the SGX-ST with a view to resume trading in the Units (the “**Waiver Application**”). The SGX-ST had, on 12 September 2024, informed the Manager that the SGX-ST has no objection to ECW’s Waiver Application. As stated in the 10 June 2025 announcement, the Manager has applied to the SGX-ST for a further extension of time (the “**Second Extension Application**”) of six months from 31 May 2025 to 30 November 2025 for ECW to submit its proposal (“**Resumption Proposal**”) with a view to resume trading in the Units. The SGX-ST has, on 13 June 2025, informed the Manager that the SGX-ST has no objection to ECW’s Second Extension Application.

As disclosed previously, the only unauthorised mortgage that has yet to be discharged at the date of this announcement is the mortgage imposed over Fuzhou E-Commerce (the “**Outstanding Relevant Mortgage**”). The appeal case to revoke the Outstanding Relevant Mortgage (“**Mortgage Revocation Lawsuits**”) has been filed by the Group to the relevant court in the People’s Republic of China (“**PRC**”) on the advice and recommendation of its PRC legal counsel. The maximum financial risk exposure is estimated to be RMB268.6 million (S\$47.8 million).

Since the initial public offering of EC World REIT (“**IPO**”), while properties of Beigang Stage 2 (“**Beigang Stage 2 Properties**”) are legally held by Hangzhou Beigang Logistics Co., Ltd (“**Beigang**”), the beneficiary interests belong to a Sponsor entity and are not part of the assets of EC World REIT. There were agreements signed between Stage 1 and stage 2 back in 2016 to segregate the rights and obligation of Stage 1 from the remaining of Beigang includes undertaking and unlimited indemnity

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

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2. Basis of preparation (continued)

Going concern (continued)

from the Sponsor. However, this does not completely prevent any legal obligation by Stage1. As informed by the Sponsor, there are some ongoing litigations related to Stage 2 properties of Beigang (“**Beigang Stage 2 Litigations**”) and the relevant court in PRC has given interim orders to restrict the transfer of the 100% equity in Chongxian Port Logistics Co., Ltd, a subsidiary of Beigang. ECW is not able to quantify the aggregated potential liabilities associated with Beigang Stage 2 Litigations at this juncture.

The Manager is seeking legal advice from our PRC Counsel in order to ascertain, among others, the potential impact of the Beigang Stage 2 Litigations, the Interim Restriction and the legal actions which may be taken against the Sponsor to mitigate the potential losses arising from Beigang Stage 2 Litigations. The Group remains committed to ensuring that all its assets are free from unauthorised encumbrances and is taking all necessary steps to resolve these matters promptly.

As announced by the Manager on 11 June 2024, the facility agent under the Offshore Facility (the “**Offshore Facility Agent**”) had on 10 June 2024 issued a letter to the Group (the “**Pre-enforcement Notice**”) stating, among others, that:

- a) The majority lenders are prepared to instruct and authorise the Offshore Facility Agent to commence enforcement actions (the “**Enforcement Actions**”) against the Group if certain conditions and milestones are not fulfilled within the time prescribed.
- b) In this regard, the Enforcement Actions includes, but are not limited to:
 - (i) accelerating the loans under the Offshore Facilities (as defined in the Offshore Facility Agreement);
 - (ii) appointing a receiver and/or exercising the power of sale pursuant to the terms of the Security Documents (as defined in the Offshore Facility Agreement);
 - (iii) exercising or directing the exercise of the voting and other rights attached to the shares subject to the Share Charges (as defined in the Offshore Facility Agreement);
 - (iv) commencing legal proceedings to recover the loans and any unpaid sums under the Offshore Facilities; and
 - (v) applying for the borrower and the guarantors under the Offshore Facility Agreement to be placed into winding up or judicial management (or any analogous procedure in any jurisdiction).

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

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2. Basis of preparation (continued)

Going concern (continued)

In addition, the Pre-enforcement Notice also stated that the conditions and milestones are not exhaustive, and the Lenders may at any time at their sole discretion add to, amend and/or substitute the conditions and milestones set out therein as they deem fit. For the avoidance of doubt, notwithstanding that the conditions and milestones set out in the Pre-enforcement Notice may be fulfilled in whole or in part within the time prescribed therein, the majority lenders shall nonetheless remain entitled to exercise any and all of their rights and remedies.

ECW's current liabilities include loans from subsidiaries of S\$330,771,000 which are repayable on demand and will require repayment from ECW if the Offshore Facility is not refinanced or restructured as the Offshore Facility was drawn down by one of the subsidiaries for the purpose of funding ECW and the Group.

Notwithstanding the above, the Manager has assessed that the Group and ECW are able to continue its operations, on the following basis:

- (i) the property companies of the Group continue to generate positive operating cash flows from the underlying leases;
- (ii) the restructuring of the existing Onshore Facility has been completed following the entry into of a supplementary agreement to the Onshore Facilities dated 16 July 2024 (the "**Onshore Supplementary Agreement**") which will allow the Group to defer part of the interest expense payments and principal instalment repayments to April 2026;
- (iii) the Manager is in discussion with the Offshore Lenders on an extension of time to complete the relevant divestment as set out in the Pre-enforcement Notice, the Manager has not received any indication from the lenders that they intend to accelerate the existing bank loans under the ECW Facility;
- (iv) the decrease in net assets was mainly due to the fluctuation of the fair values of the properties which were affected by the changes in real estate market conditions in China;
- (v) the Manager has appointed established consultant, Savills Property Services (Shanghai) Co., Ltd. in relation to sourcing for potential purchaser(s) of the properties and also exploring other options concurrently;
- (vi) the Manager intends to pare down existing facilities with cash proceeds from potential divestments through ongoing marketing efforts so as to aid the active negotiations with the lenders of the Offshore Facility on a possible refinancing/restructuring package; and

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

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2. Basis of preparation (continued)

Going concern (continued)

- (vii) the Manager has appointed a financial adviser, KPMG Services Pte Ltd, to explore various options for the Group to address its ongoing challenges.

The validity of the going concern assumption on which these financial statements have been prepared is dependent on the favourable outcome of the various measures set out above. 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 reclassify the non-current assets as current assets and non-current liabilities as current liabilities respectively. The accompanying financial statements do not include the effect of any of these adjustments.

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.

The significant areas of estimation, assumptions and judgements in applying accounting policies disclosed in Annual Report 2024 remains relevant. Please refer to Note 12 for more information on the valuation of investment properties as at 30 June 2025.

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

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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.

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

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4. Segment information (continued)

Property income and expenses

	Port Logistics		Specialised Logistics		E-commerce Logistics		Total	
	6 months ended 30 June 2025 S\$'000	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2025 S\$'000	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2025 S\$'000	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2025 S\$'000	6 months ended 30 June 2024 S\$'000
Group								
Gross revenue	7,125	21,361	3,740	1,933	11,699	27,939	22,564	51,233
Property expenses	(854)	(1,045)	(1,067)	(582)	(1,922)	(2,414)	(3,843)	(4,041)
Net property income	6,271	20,316	2,673	1,351	9,777	25,525	18,721	47,192
Net change in fair value of investment properties	(91,724)	(38,378)	(3,220)	(18,444)	(20,562)	(20,212)	(115,506)	(77,034)
Finance income							11	(891)
Finance costs							(21,189)	(22,910)
Other trust expenses*							(2,915)	(2,486)
Exchange differences							12,040	(3,748)
Net change in fair value of financial derivatives							-	1,879
Total return for the financial period before income tax							(108,838)	(57,998)
Income tax credit							23,510	8,804
Total loss for the financial period after income tax before distribution							(85,328)	(49,194)

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

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For the six months ended 30 June 2025

4. Segment information (continued)

Assets and liabilities

	<u>Port Logistics</u>		<u>Specialised Logistics</u>		<u>E-commerce Logistics</u>		<u>Total</u>	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2025	2024	2025	2024	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Group</u>								
Segment assets								
- Investment properties	161,358	264,502	128,054	137,377	277,480	311,847	566,892	713,726
- Trade and other receivables	49,193	73,307	2,271	2,265	50,628	92,773	102,092	168,345
Unallocated assets							5,121	5,008
Total assets							674,105	887,079
Segment liabilities	70,804	19,477	30,469	27,939	96,204	245,623	197,477	293,039
Unallocated liabilities								
- Borrowings							468,545	480,382
- Others							86,475	81,595
Total liabilities							752,497	855,016

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 ended 30 June 2025***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 30 June 2025 and 31 December 2024:

	<u>Group</u>		<u>ECW</u>	
	30 June 2025 S\$'000	31 December 2024 S\$'000	30 June 2025 S\$'000	31 December 2024 S\$'000
Financial Assets				
Cash and bank balances	5,025	4,513	1,156	1,004
Trade and other receivables	101,933	168,323	2,958	2,963
Loans to subsidiaries	-	-	237,057	237,057
	106,958	172,836	241,171	241,024
Financial Liabilities				
Trade and other payables	121,657	173,884	25,803	22,984
Borrowings	468,545	480,382	-	-
Loans from a subsidiary	-	-	330,771	331,943
	590,202	654,266	356,574	354,927

6. Profit before taxation**6.1 Significant items**

	<u>Group</u>	
	6 months ended 30 June 2025 S\$'000	6 months ended 30 June 2024 S\$'000
Income		
Interest income	11	(891)
Expenses		
Interest on borrowings	20,194	18,861

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 ended 30 June 2025***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:

	30 June	Group 31 December
	2025	2024
	S\$'000	S\$'000
Property management fees paid/payable	(1,153)	(1,897)
Trustee's fees paid/payable	(83)	(184)
Manager's base fees paid/payable	(1,800)	(1,951)
Rental and other related income received/receivable from the ultimate holding corporation and fellow subsidiaries	6,848	67,625
Late payment interest received/receivable from the ultimate holding corporation and fellow subsidiaries	2,715	7,661
Operating lease commitment from fellow subsidiaries where the Group is a lessor	908	4,407

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

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7. Taxation

	<u>Group</u>	
	6 months ended 30 June 2025 S\$'000	6 months ended 30 June 2024 S\$'000
Tax expense attributable to profit is made up of:		
- Profit for the financial period:		
Current income tax		
- Foreign	2,202	9,270
	2,202	9,270
Withholding tax	-	725
Deferred income tax	(25,712)	(17,335)
	(23,510)	(7,340)
- Over provision in prior financial year:		
Current income tax		
- Foreign	-	(1,464)
	(23,510)	(8,804)

8. Earnings per unit

The calculation of basic earnings per Unit is based on:

	<u>Group</u>	
	6 months ended 30 June 2025 S\$'000	6 months ended 30 June 2024 S\$'000
Total return attributable to Unitholders of ECW	(85,328)	(49,194)
Weighted average number of Units outstanding during the period ('000)	809,838	809,838
Basic and diluted earnings per Unit (cents per share)	(10.54)	(6.07)

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.

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 ended 30 June 2025***9. Investment properties**

	30 June 2025 S\$'000	<u>Group</u> 31 December 2024 S\$'000
Beginning of the period	713,726	805,629
Asset enhancements during the year	1	1,642
Effect of straight lining of step-up rental	-	(313)
Net change in fair value of investment properties	(115,506)	(95,699)
Currency translation differences	(31,329)	2,467
End of the period	566,892	713,726

All investment properties are mortgaged to secure bank loans (Note 10).

At disclosed previously, the only unauthorised mortgage that has yet to be discharged is the mortgage imposed over Fuzhou E-Commerce. The maximum financial risk exposure is estimated to be RMB268.6 million (S\$47.8 million).

For the unaudited financial year results 30 June 2025, the carrying values of the Group's investment properties were based on the independent valuations as at 30 June 2025 conducted by JLL. 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 30 June 2025. The Manager has reviewed the appropriateness of the valuation techniques, and assumptions applied by the independent valuers.

Please refer to Announcement on Asset Valuation released on 13 August 2025 for details.

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

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10. Borrowings

	30 June 2025 S\$'000	<u>Group</u> 31 December 2024 S\$'000
<i>Current</i>		
Secured bank borrowings		
- Onshore facility	120,712	125,864
- Offshore facility	341,016	347,396
	<u>461,728</u>	<u>473,260</u>
<i>Non-current</i>		
unsecured bank borrowings		
- Onshore facility	6,817	7,122
	<u>468,545</u>	<u>480,382</u>
Total borrowings	<u>468,545</u>	<u>480,382</u>

The maturity of the borrowings are as follows:

	30 June 2025 S\$'000	<u>Group</u> 31 December 2024 S\$'000
Within 1 year	461,728	473,260
After 1 year but within 3 years	6,817	7,122
	<u>468,545</u>	<u>480,382</u>

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.

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10. Borrowings (continued)

Onshore Facility

The existing Onshore Facility have been refinanced in full with an aggregate principal amount of up to RMB745.5 million in May 2023 (the “**2023 Onshore Facility**”). The restructuring of the Onshore Facility has been completed following the entry into an Onshore Supplementary agreement dated 16 July 2024. 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 30 June 2025, 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;
- 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;

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

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

10. Borrowings (continued)

Onshore Facility (continued)

As at 30 June 2025, the onshore facility is secured by: (continued)

- 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.

On 20 June 2024, Industrial and Commercial Bank of China ("**ICBC**"), as the only participant in Tranche B of the Onshore Facility, had signed a withdrawal letter from the Onshore Facility (the "**ICBC Withdrawal Letter**") stating, among others, that:

- (a) ICBC would be withdrawing from the Onshore Facility with effect from 20 June 2024 on the basis that ICBC reserves its right to claim any amounts owed or unpaid by the ECW Group under Tranche B of the Onshore Facility (the "**Tranche B Outstanding Sum**") against the Sponsor; and
- (b) ICBC would waive all other rights and interests under the Onshore Facility, including waiving any right ICBC has against the ECW Group to pursue any amounts owed by the ECW Group under the Onshore Facility (including the Tranche B Outstanding Sum).

As a result, ICBC is bound by the terms of the ICBC Withdrawal Letter to not make any claim against the ECW Group in connection with any obligations owed by the ECW Group under the Onshore Facility (including the Tranche B Outstanding Sum) up to 20 June 2024 and may instead pursue such claims against the Sponsor.

Should ICBC successfully pursue and recover any claim against the Sponsor, the Sponsor will automatically, by operation of PRC law, gain the right to recover the same amount from the ECW Group. For the avoidance of doubt, in this scenario, such amount would remain classified as a non-current liability on the balance sheet of the ECW Group, although it would be reflected as a non-current liability owing to the Sponsor.

The blended all-in interest rate for the quarter and 6 months ended 30 June 2025 was 7.3% and 7.0% respectively. The blended all-in running interest rate for the quarter and 6 months ended 30 June 2025 was 5.9%.

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10. Borrowings (continued)

Offshore facility

The existing offshore bank loans have been refinanced in full with the aggregate principal amount of up to SGD348.9 million in May 2023 (the “**2023 Offshore Facility**”, together with the “**2023 Onshore Facility**”, the “**2023 Facilities**”). The offshore borrowers are ECW Treasure Pte. Ltd. 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 6 months ended 30 June 2025 was 9.4% and 9.7% respectively. The blended all-in running interest rate for the quarter and 6 months ended 30 June 2025 was 9.4% and 9.6% respectively.

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.

Blended all-in interest rate of the aggregate facilities

The blended all-in interest rate of the aggregate facilities for the quarter and 6 months ended 30 June 2025 was 8.9%. The blended all-in running interest rate for the quarter and 6 months ended 30 June 2025 was 8.4% and 8.6% per annum respectively.

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2025

10. Borrowings (continued)

Occurrence of events of default

The Onshore Facility agreement and Offshore Facility agreement have cross-default provisions, where default of the Offshore facility shall automatically trigger default of the Onshore facility and vice versa. The lenders under the Facilities may, among others, accelerate the Facilities if an event of default is continuing.

As announced by the Manager on 11 June 2024, the Offshore Facility Agent has on 10 June 2024 issued a Pre-enforcement Notice to the ECW Group, requiring it to fulfil certain conditions and milestones, among others, that the Group shall divest assets in such amount sufficient to repay the liabilities under the Offshore Facility Agreement. Refer to Note 2 for more details. At the date of this announcement, the Group has not received any notice of enforcement action. The Manager is actively in negotiations with the lenders of the Offshore Facility on refinancing.

As announced by the Manager on 26 October 2024, in relation to the application filed by Franklin Medici Alternative Investment VCC (for itself and for the purpose of FM REAL ESTATE FUND) and litigation against FIPL and Mr Zhang Guobiao (**“Mr. Zhang”**):

- i) an enforcement order (the **“Enforcement Order”**) was issued in the General Division of the High Court of the Republic of Singapore on 12 August 2024 authorising the Sheriff to seize and sell certain assets belonging to Mr Zhang (**“Relevant Property”**); and
- ii) a Notice of Seizure (the **“Notice of Seizure”**) was issued by the Sheriff to, among others, Singapore Land Authority and Mr Zhang on 2 September 2024, directing them not to deal with or dispose of the Relevant Property, unless the High Court otherwise orders.

Mr. Zhang as the chairman and controlling shareholder of the Sponsor, holds 80% of the equity interest in the Sponsor and has a deemed interest in 43.793% of the units in ECW through the Sponsor group. Mr. Zhang has provided personal guarantees in respect of the 2023 Facilities as disclosed previously.

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For the six months ended 30 June 2025

10. Borrowings (continued)

Occurrence of events of default (continued)

As announced on 14 April 2025, the Manager received a notice from the Sponsor that the High Court of the Republic of Singapore has ordered that Mr Zhang be adjudged bankrupt. In view of this, Mr Zhang had resigned as non-independent and non-executive of the Manager with effect from 14 April 2025. The Manager understands that there is a possibility that the Bankruptcy of Mr Zhang may result in a change in control of the Sponsor, which may in turn indirectly result in a change in control in ECW and the Manager, subject to applicable laws and regulations.

As separately announced on 27 March 2025, the Manager received a notice from the Sponsor that the Sponsor had filed an application for reorganisation with the Fuyang Court on the ground that the Sponsor is unable to pay its debts but still has reorganisation value. On 25 March 2025, the Sponsor received the decision of the Fuyang Court to conduct pre-reorganisation of the Sponsor.

As further announced on 4 August 2025, the People's Court of Fuyang District, Hangzhou City, Zhejiang Province (the "Fuyang Court") has ruled on 28 July 2025 that the Sponsor and its 68 related parties (the "Sponsor Entities") would be consolidated into one single reorganisation arrangement (the "**Reorganisation**").

There is uncertainty as to whether the above-mentioned Reorganisation will be successful in the future. If the Reorganisation is implemented and completed in the future, there is no certainty or assurance that the Reorganisation will not involve a change in control in respect of EC World REIT, depending on the Reorganisation situation of the Sponsor.

The Enforcement Order, Notice of Seizure, Reorganisation of the Sponsor and Bankruptcy of Mr Zhang, constitute multiple events of default pursuant to the Offshore Facilities. These in turn trigger cross-defaults under ECW's existing Onshore facilities. The events of default which have occurred to the Facilities and disclosed in Annual Report 2024 remain relevant as at 30 June 2025. Therefore, both Onshore Facility (excluding Tranche B Outstanding Sum) and Offshore Facility are classified as current liabilities as of 30 June 2025.

The Manager has updated the lenders under the Facilities in respect of the above events immediately upon receipt of the above-mentioned updates from the Sponsor, and has not received any indication that the lenders intend to accelerate the Facilities as a result of the above-mentioned circumstances as at the date of this announcement.

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10. 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

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 72.4% (31 December 2024: 56.5%). 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, all the financial covenants 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 paring down and restructuring the ECW Group’s existing Offshore Facility.

Sensitivity analysis on impact to interest cover ratio

At the end of the period, the interest coverage ratio¹ was 1.05 times (31 December 2024: 1.64 times). Below is the sensitivity analysis on impact to interest cover ratio:

	<u>Group</u> 30 June 2025	30 June 2024
a) a 10% decrease in EBITDA (times)	0.94	1.80
b) a 100% basis point increase in the weighted average interest rate (times)	1.04	1.98

The Manager remains committed to maintaining a prudent and sustainable capital and debt structure. This includes the plan to paring down existing facilities with cash proceeds from divestments through ongoing marketing efforts. These will facilitate ongoing negotiations with the lenders of the Offshore Facility in relation to possible refinancing package.

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.

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

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11. Units in issue

	<u>Group and ECW</u>	
	30 June 2025	30 June 2024
	No. of Units '000	No. of Units '000
<i>Units in issue</i>		
Beginning of the period	809,838	809,838
Issue of Units:		
- Manager's performance fees payable in Units	-	-
End of the period	809,838	809,838

During the period, no new Units was issued (30 June 2023: Nil), in respect of the payment of management fees in Units.

12. 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:

- (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.

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

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12. 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> S\$'000
	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	
30 June 2025				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Non-financial assets				
Investment properties	-	-	566,892	566,892
31 December 2024				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Non-financial assets				
Investment properties	-	-	713,726	713,726

13. Events occurring after reporting date

There were no events occurring after reporting date.

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

For the six months ended 30 June 2025

The condensed consolidated statement of financial position of ECW and its subsidiaries as at 30 June 2025 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 30 June 2025

Gross revenue of S\$9.9 million was S\$16.1 million or 61.9% lower compared to 2Q2024. Net property income ("NPI") of S\$18.7 million was S\$15.9 million or 66.8% lower compared to 2Q2024. After straight-lining of step-up rental, security deposit accretion and other relevant distribution adjustments, the gross revenue and NPI in RMB terms was 59.5% and 64.6% lower respectively compared to 2Q2024. The significant drop in revenue and NPI was mainly due to the termination of MLAs upon lease expiry for Chongxian Port Investment ("CXI"), Beigang Logistics Stage 1 ("BG"), Fu Heng Warehouse ("FHCC") and Fuzhou E-Commerce ("FZDS"), lower contribution from underlying leases, offset by income contribution from new third-party leases secured for Hengde Logistics Phase I.

Finance costs of S\$10.8 million were S\$0.8 million or 7.0% lower compared to 2Q2024, mainly due to a reduced loan quantum and the absence of security deposits accretion, partially offset by higher interest rate for offshore loans during the quarter as compared to 2Q2024.

There was no income available for distribution for 2Q2025, mainly due to the significant drop in revenue.

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

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

For the six months ended 30 June 2025

(ii) Review of performance for the 6 months ended 30 June 2025

Gross revenue of S\$22.6 million was S\$28.7 million or 56.0% lower compared to the corresponding period from 1 January 2024 to 30 June 2024 ("**1H2024**"). Net property income ("NPI") of S\$18.7 million was S\$28.5 million or 60.3% lower compared to 1H2024. After straight-lining of step-up rental, security deposit accretion and other relevant distribution adjustments, the gross revenue and NPI in RMB terms was 54.0% and 58.5% lower respectively compared to 1H2024. The significant drop in revenue and NPI was mainly due to the termination of MLAs upon lease expiry for CXI, BG, FHCC and FZDS, lower contribution from underlying leases, offset by income contribution from new third-party leases secured for Hengde Logistics Phase I.

Finance costs of S\$21.2 million were S\$1.7 million or 7.5% lower compared to 1H2024, mainly due to a reduced loan quantum and the absence of security deposits accretion, partially offset by higher interest rate for offshore loans during the period as compared to 1H2024.

There was no income available for distribution for 1H2025, mainly due to the significant drop in revenue.

2. Variance between the forecast

ECW did not disclose any financial forecast to the market.

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

For the six months ended 30 June 2025

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

While in the first half of 2025, China's gross domestic product (GDP) grew by 5.3% year-on-year, primarily driven by fast growing manufacturing activity², it is unclear whether China GDP will continue this trend in the second half of 2025.

Investment in real estate sector in China fell 11.2% year-on-year in the first half of 2025³ and the Manager foresees that the real estate sector in China will remain challenging.

The introduction of new U.S. tariffs in early April 2025 slowed down the expansion by cross-border e-commerce but domestic e-commerce was boosted by the “old for new” government stimulus policies with sales of home appliances, furniture and electronic goods increased by over 20% y-o-y for the six months in 2025 signified the switch in e-commerce logistics property demand from externally focus to domestic use. As a result, the logistics demand surged in the first half of 2025. However, there was no immediate impact on the rental of logistics property as landlords in China especially in eastern China sought to attract new tenants through reduction in rental. Subsequently, with vacant logistics property supply in eastern China including Hangzhou thinning out, the rental decline is not expected to face significant downward pressure⁴ in the foreseeable future.

As of 30 June 2025, EC World REIT continues to face significant financial and cash flow challenges. Due to insufficient funds, EC World REIT will continue to suspend distributions until sufficient free cash is available. Trading of its units will remain suspended until the financial situation improves.

² https://www.stats.gov.cn/english/PressRelease/202507/t20250715_1960408.html

³ https://www.stats.gov.cn/english/PressRelease/202507/t20250715_1960408.html

⁴ https://mktgdocs.cbre.com/2299/c08a5399-4c11-4450-a9dd-fd89ab0151d8-1697551567/2025_China_Logistics_Market_Ou.pdf

EC WORLD REAL ESTATE INVESTMENT TRUST
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**ADDITIONAL INFORMATION AND OTHER INFORMATION REQUIRED BY LISTING
RULE APPENDIX 7.2**

For the six months ended 30 June 2025

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? No

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 January 2025 to 30 June 2025 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.

7. 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.

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

For the six months ended 30 June 2025

8. Confirmation pursuant to Rule 705(5) of the 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 condensed interim financial statements of the Group and ECW (comprising the condensed interim statement of financial position as at 30 June 2025, condensed interim statement of total return & condensed interim distribution statement, condensed interim statement of cash flows and condensed interim statement of movements in Unitholder's funds for the period 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)

Kelvin Chow
Chairman and Independent
Non-Executive Director

Goh Toh Sim
Executive Director and
Chief Executive Officer

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)

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

For the six months ended 30 June 2025

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 August 2025

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