



(a real estate investment trust constituted on 5 August 2015
under the laws of the Republic of Singapore)

UPDATE ANNOUNCEMENT ON THE ECW FACILITIES, THE RELEVANT MORTGAGES AND THE RELEVANT LAWSUITS

1. INTRODUCTION

EC World Asset Management Pte. Ltd., in its capacity as manager of EC World Real Estate Investment Trust (“**EC World REIT**”, and as manager of EC World REIT, the “**Manager**”), refers to:

- (i) its announcement dated 27 February 2024 in relation to, among others, its application to Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for a waiver from Rule 707(1) of the Listing Manual of the SGX-ST (the “**Listing Manual**”) to allow for an extension of time from 30 April 2024 to 31 July 2024 for EC World REIT to hold its annual general meeting for the financial year ended 31 December 2023 (the “**SGX Waiver**”);
- (ii) its announcement dated 26 March 2024 (the “**26 March 2024 Announcement**”) in relation to, among others, the receipt of the SGX Waiver;
- (iii) its announcement dated 31 March 2024 (the “**31 March 2024 Announcement**”) in relation to the updates on the existing facilities of the EC World REIT group (the “**ECW Facilities**”), the imposition of mortgages over Fuzhou E-Commerce and Fuheng Warehouse (the “**Relevant Mortgages**”) and the Relevant Lawsuits¹; and
- (iv) its announcement dated 1 May 2024 (the “**1 May 2024 Announcement**”) in relation to the ECW Facilities, the imposition of the Relevant Mortgages and the Relevant Lawsuits.

As set out in the 26 March 2024 Announcement, the SGX Waiver is subject to, among others, EC World REIT providing monthly updates (the “**Update Condition**”) via SGXNet on the following:

- (a) the negotiations with the lenders of the ECW Facilities (the “**Lenders**”) in respect of the refinancing and/or restructuring of the ECW Facilities as well as the various waivers from

¹ “**Relevant Lawsuits**” refers to the pleadings submitted by the EC World REIT group to the relevant court in the People’s Republic of China (“**PRC**”) to initiate lawsuits to revoke the Relevant Mortgages on the basis that the Relevant Mortgages are unauthorised.

the Lenders in relation to the Mandatory Prepayment Event² and the breach of the Divestment Longstop Date³ under the ECW Facilities; and

- (b) the progress to discharge the unauthorised mortgages over the Relevant Mortgages and the status of the Relevant Lawsuits.

In accordance with the Update Condition, the Board of Directors of the Manager wishes to provide unitholders of EC World REIT (the “Unitholders”) with the following update.

2. THE ECW FACILITIES

As at the date of this announcement, the Lenders have not indicated any intention to accelerate the ECW Facilities. The Manager continues to work with the Lenders to explore the possibility of restructuring the ECW Facilities.

In relation to the revolving loans of the EC World REIT group (the “Existing SBLC Loans⁴”), the Manager wishes to update Unitholders that the amount of approximately S\$20.1 million remains outstanding as at the date of this announcement. The Manager continues to explore options to settle the remaining Existing SBLC Loans.

3. THE RELEVANT MORTGAGES AND THE RELEVANT LAWSUITS

The Manager wishes to provide Unitholders with the following updates:

- (i) on 6 May 2024, the Manager issued a demand letter to Forchn Holdings Group Co., Ltd. (the “Sponsor”, and the demand letter to the Sponsor, the “6 May 2024 Demand Letter”) which, among others:
 - (a) referred to the submission of pleadings for the Relevant Lawsuits by the EC World REIT group to the relevant court in the PRC; and
 - (b) demanded that the Sponsor discharge the Relevant Mortgages immediately;
- (ii) on 23 May 2024, the Sponsor responded to the demand letter issued by the Manager on 17 April 2024 as well as the 6 May 2024 Demand Letter stating that:

2 This refers to the situation where the maximum aggregate amount of the outstanding loans under the ECW Facilities exceeds the lowest of (i) S\$498,000,000 (or its equivalent); (ii) 45% of the aggregate valuation of the properties of EC World REIT as reflected in the latest valuation report delivered pursuant to the ECW Facilities; and (iii) 40% of the deposited property of EC World REIT (the “Relevant Prepayment Conditions”). As mentioned in the Manager’s announcement dated 27 February 2024, upon notification to the relevant facility agent that such situation has occurred, the EC World REIT group shall within three business days repay or prepay the loans under the ECW Facilities such that the maximum aggregate amount of the loans under the ECW Facilities outstanding will be no more than the lowest of the Relevant Prepayment Conditions.

3 “Divestment Longstop Date” refers to 31 October 2023 (or such later date, that is on or prior to 30 April 2024, that is agreed to by all the Lenders). As disclosed in the Manager’s announcement dated 31 May 2023, the ECW Facilities impose a requirement for the proposed divestment of Stage 1 Properties of Bei Gang Logistics and Chongxian Port Logistics (the “Proposed Divestment”) to take place by the Divestment Longstop Date. However, no breach of such obligation to divest would arise if on or before the Divestment Longstop Date, prepayment which would result in, inter alia, the aggregate amount of the ECW Facilities remaining outstanding being no more than S\$410,000,000 (or its equivalent) is made. It is an event of default under the ECW Facilities if the Proposed Divestment does not occur by 30 April 2024.

4 As mentioned in the 1 May 2024 Announcement, the Existing SBLC Loans are backed by standby letters of credit issued by the EC World REIT group’s lenders under its existing onshore facilities (“Existing Onshore Facilities”).

- (a) after several rounds of discussions with the Fuyang Finance Bureau⁵ and the Fuyang Government (富阳政府) (the “**Fuyang Government**”) in PRC, there is preliminary indication that the unauthorised mortgage over Fuheng Warehouse would potentially be discharged;
 - (b) the Sponsor has been closely following up with the Fuyang Finance Bureau to obtain the confirmation in respect of the discharge of the unauthorised mortgage over Fuheng Warehouse as well as details in relation to the discharge process; and
 - (c) the Sponsor is still liaising with the Fuyang Finance Bureau and the Fuyang Government in relation to the discharge of the unauthorised mortgage over Fuzhou E-Commerce; and
- (iii) based on the title search report on Fuheng Warehouse generated on 29 May 2024, the unauthorised mortgage imposed over Fuheng Warehouse has been discharged as of 28 May 2024.

Following the discharge of the unauthorised mortgage over Fuheng Warehouse, the only unauthorised mortgage that has yet to be discharged is the mortgage imposed over Fuzhou E-Commerce. As mentioned in the 26 March 2024 Announcement, 31 March 2024 Announcement and the 1 May 2024 Announcement, the EC World REIT group has submitted the Relevant Lawsuits to the relevant PRC court and the case application is now being reviewed and is yet to be accepted by the relevant PRC court. If the EC World REIT group can obtain a favourable judgment in the Relevant Lawsuits, the EC World REIT group may de-register the unauthorised mortgage over Fuzhou E-Commerce with the mortgage registration authority based on the judgment.

The Board of Directors of the Manager will provide Unitholders with a further update as and when there are material developments.

Cautionary Statement

Unitholders are advised to read this announcement and any further announcements by the Manager carefully. The Manager wishes to highlight that there is no certainty or assurance as at the date of this announcement that any discussion or prospects will be successfully concluded or any definitive agreements in relation to any transactions will be entered into. Unitholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions that they should take.

The Manager will make further announcements on the SGXNET in the event there are any material developments which warrant disclosure, in compliance with its obligations under the Listing Manual. Unitholders and investors are advised to refrain from taking any action in respect of EC World REIT units (“**Units**”) which may be prejudicial to their interests, and to exercise caution when dealing in the Units. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

For and on behalf of the Board

5 The Fuyang Finance Bureau oversees all financial institutions within the Fuyang district (including 杭州富阳富投发振富股权投资合伙企业(有限合伙) (Hangzhou Fuyang Futoufa Zhenfu Equity Investment LLP) and 浙江富月融资租赁有限公司 (Zhejiang Fuyue Finance Lease Co., Ltd.), being the two entities linked to the Fuyang Government involved in the imposition of the Relevant Mortgages (the “**Fuyang Financial Institutions**”).

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

31 May 2024

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, the Trustee or any of their affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem 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.

Unitholders and potential investors are advised to exercise caution when dealing in Units. Unitholders and potential investors are advised to read this announcement and any further announcements to be released by EC World REIT carefully. Unitholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.

The past performance of EC World REIT is not necessarily indicative of the future performance of EC World REIT.

This announcement may contain forward-looking statements that involve 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. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.