



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

## ANNOUNCEMENT

### RECEIPT OF WAIVERS ON APPLICATIONS FOR EXTENSION OF TIME AND UPDATE ON THE PROPOSED DIVESTMENT

#### 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) the announcement dated 3 October 2022 in relation to the proposed divestment of Stage 1 Properties of Bei Gang Logistics and Chongxian Port Logistics (the “**Proposed Divestment**”);
- (ii) the update announcement dated 20 November 2022 in relation to the Proposed Divestment;
- (iii) the circular to unitholders of EC World REIT (“**Unitholders**”) dated 24 November 2022 in relation to the Proposed Divestment;
- (iv) the update announcements dated 29 December 2022, 31 December 2022, 3 January 2023 and 17 January 2023 all of which were in relation to the Proposed Divestment and the financing obligations of EC World REIT;
- (v) the update announcement dated 30 January 2023 in relation to the Proposed Divestment;
- (vi) the update announcement dated 12 February 2023 in relation to the Proposed Divestment and the financing obligations of EC World REIT;
- (vii) the update announcement dated 28 February 2023 in relation to the Proposed Divestment and the financing obligations of EC World REIT;
- (viii) the update announcements dated 2, 7, 10 and 17 March 2023 in relation to the Proposed Divestment and the financing obligations of EC World REIT;

- (ix) the announcement dated 7 April 2023 in relation to the applications for the extension of time and the financing obligations of EC World REIT (the “**7 April 2023 Announcement**”);
- (x) the update announcement dated 9 April 2023 in relation to the Proposed Divestment;
- (xi) the update announcement dated 1 May 2023 in relation to the financing obligations of EC World REIT (the “**Loan Repayment Extension Announcement**”);

***Unless otherwise defined, all capitalised terms used in this announcement shall have the meaning ascribed to them in the 7 April 2023 Announcement.***

## **2. RECEIPT OF THE RELEVANT WAIVERS**

2.1. Further to the 7 April 2023 Announcement, the Board of Directors of the Manager wishes to update Unitholders that the SGX-ST has, on 28 April 2023, informed the Manager that the SGX-ST has no objection to EC World REIT’s application for extension of time from 30 April 2023 to 27 July 2023 in respect of holding EC World REIT’s FY2022 AGM (as defined below) (the “**SGX Waiver**”) with regard to compliance with Rule 707(1) of the Listing Manual of the SGX-ST (the “**Listing Manual**”), subject to the following:

- (a) EC World REIT announcing the period of extension granted, the reasons for seeking the extension of time<sup>1</sup> and the conditions as required under Rule 107 of the Listing Manual and if the conditions have been satisfied. If the conditions have not been met on the date of the announcement, EC World REIT must make an update announcement when the conditions have all been met;
- (b) EC World REIT convening the annual general meeting for the financial year ended 31 December 2022 (“**FY2022**”, and the annual general meeting for FY2022, the “**FY2022 AGM**”) by 27 July 2023;
- (c) EC World REIT providing immediate disclosure via SGXNet of all material information relating to the Proposed Divestment, the Mandatory Repayment, the April 2023 Outstanding Loans and the Existing Bank Loans;
- (d) EC World REIT providing fortnightly updates (including an update on 31 May 2023) via SGXNet on the following:
  - (i) the negotiations with the Lenders in respect of the refinancing of the April 2023 Outstanding Loans (the “**Refinancing**”)<sup>2</sup>;
  - (ii) the status of the Mandatory Repayment<sup>3</sup>; and
  - (iii) the progress of the pending completion of the Proposed Divestment<sup>4</sup>;

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1 Please refer to paragraph 3 of this announcement on the reasons for seeking the extension of time.

2 Please refer to the Loan Repayment Extension Announcement for the current update on this matter.

3 Please refer to the Loan Repayment Extension Announcement for the current update on this matter.

4 Please refer to paragraph 4 of this announcement for the current update on this matter.

- (e) disclosure via SGXNet of the indicative timeline and milestones in respect of the following:
  - (i) the credit approvals from the lending banks in relation to the Sponsor's financing of the Proposed Divestment in consultation with the Sponsor<sup>5</sup>;
  - (ii) the Refinancing<sup>6</sup>; and
  - (iii) the fulfilment of the Mandatory Repayment obligations<sup>7</sup>;
- (f) disclosure via SGXNet of the external auditors' confirmation that other than the Proposed Divestment, the Mandatory Repayment and the refinancing of the April 2023 Outstanding Loans, there are no other outstanding matters which would affect the external auditors' assessment on EC World REIT's ability to operate as a going concern<sup>8</sup>; and
- (g) disclosure via SGXNet of the Board's opinion as to why the extension of time is in the interest of EC World REIT and its unitholders, and the bases for such an opinion<sup>9</sup>,

(collectively, the "**SGX Conditions**").

- 2.2. The SGX-ST has stated that this is the final time extension for EC World REIT to hold its FY2022 AGM and the SGX-ST will not grant any further time extension.
- 2.3. Following the release of this announcement and the Loan Repayment Extension Announcement, the SGX Conditions set out at paragraphs 2.1(a), (c), (e), (f) and (g) above have been satisfied, as the disclosures required under these SGX Conditions have been set out in this announcement and/or the Loan Repayment Extension Announcement. EC World REIT will make an update announcement when all the other SGX Conditions have been met.
- 2.4. Further to the 7 April 2023 Announcement, the Board of Directors of the Manager also wishes to update Unitholders that the Monetary Authority of Singapore (the "**MAS**") has, on 28 April 2023, granted EC World REIT a waiver from compliance with paragraph 4.1(d) of Appendix 6 of the Code on Collective Investment Schemes issued by the MAS (the "**Property Funds Appendix**"), subject to EC World REIT laying its audited financial statements for FY2022 (the "**FY2022 Financial Statements**") at the FY2022 AGM to be held as soon as possible, but in any case not later than 27 July 2023.

### 3. REASONS FOR SEEKING THE SGX WAIVER

The reasons for seeking the extension of time from 30 April 2023 to 27 July 2023 in respect of holding EC World REIT's FY2022 AGM are set out in the 7 April 2023 Announcement.

Since then, the Lenders have consented to the extension of the termination date of the Existing Bank Loans to 31 May 2023, which shall be the date on which the outstanding amount

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5 Please refer to paragraph 4 of this announcement for the relevant details.

6 Please refer to the Loan Repayment Extension Announcement for the relevant details.

7 Please refer to the Loan Repayment Extension Announcement for the relevant details.

8 Please refer to paragraph 6 of this announcement for the external auditors' confirmation.

9 Please refer to paragraph 5 of this announcement for the Board's opinion.

of the Existing Bank Loans is to be repaid or prepaid in full (the “**Extension**”), as disclosed in the Loan Repayment Extension Announcement. Please refer to the Loan Repayment Extension Announcement dated 1 May 2023 for details.

The External Auditors (as defined below) have advised the Manager that as at the date of this announcement, based on the current information (including the Extension) and documents made available to them, they do not have sufficient appropriate audit evidence to form a conclusion on the likelihood of the repayment and/or refinancing of the Existing Bank Loans by 31 May 2023 and consequently the appropriateness of the use of the assumption in the FY2022 Financial Statements that EC World REIT is able to continue operating as a going concern.

#### 4. UPDATE ON THE PROPOSED DIVESTMENT

The Manager refers to the following statements from the 28 February 2023 Announcement:

*“The Manager wishes to update Unitholders that pursuant to the Equity Purchase Agreement (as amended by the Supplementary Agreement), the Vendor has on 28 February 2023 issued a written notice to the Sponsor and the Purchasers to extend the Long-Stop Date of the Proposed Divestment to (i) the earlier of (a) the new Mandatory Repayment deadline stipulated by the Lenders pursuant to the New Repayment Plan (if any) and (b) 30 April 2023; or (ii) such other later date as may be determined by the Vendor.”*

The Manager wishes to update Unitholders that pursuant to the Equity Purchase Agreement (as amended), the Vendor has on 28 April 2023 issued a written notice to the Sponsor and the Purchasers to extend the Long-Stop Date of the Proposed Divestment to (i) the earlier of (a) the new Mandatory Repayment deadline stipulated by the Lenders pursuant to the Extension<sup>10</sup> and (b) 31 May 2023; or (ii) such other later date as may be determined by the Vendor.

The rationale for the extension of the Long-Stop Date is as follows:

- (a) the Purchasers have advised the Manager that they are unable to complete the Proposed Divestment at this juncture, as they are in the process of obtaining the relevant credit approvals (the “**Purchaser Credit Approvals**”) from their lending banks in relation to their financing for the Proposed Divestment;
- (b) the Sponsor continues to demonstrate its support for EC World REIT by working closely together with the Manager to engage the Lenders in relation to the Extension and the refinancing of the Existing Bank Loans; and
- (c) EC World REIT will continue to receive income from the Divestment Properties pending Completion.

In addition, the Manager understands from the Sponsor group the following:

- (a) in relation to the Purchaser Credit Approvals, a group of PRC banks is in the process of approving an acquisition loan package (capped at RMB1,100 million) for the

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<sup>10</sup> The above-mentioned new Mandatory Repayment deadline is 31 May 2023. Please refer to the Loan Repayment Extension Announcement for further details.

Proposed Divestment and the Manager understands that the relevant PRC banks are working towards the completion of their internal approval process by end-May 2023; and

- (b) the Sponsor group is working towards a tentative completion date for the Proposed Divestment to be around end of May 2023.

## 5. BOARD'S OPINION

The Board has assessed that the extension of time to conduct its FY2022 AGM is in the interest of EC World REIT and the Unitholders on the basis of the following:

- (a) the extension of time is expected to provide sufficient time to enable EC World REIT to complete the Proposed Divestment, fully repay the Mandatory Repayment amount and refinance the April 2023 Outstanding Loans;
- (b) the completion of the Proposed Divestment, the full repayment of the Mandatory Repayment amount and the refinancing of the April 2023 Outstanding Loans will provide EC World REIT's external auditors with sufficient and appropriate audit evidence to conclude on the appropriateness of the going concern assumption used in the preparation of the financial statements and provide an unqualified audit opinion; and
- (c) the completion of the Proposed Divestment, the full repayment of the Mandatory Repayment amount and the refinancing of the April 2023 Outstanding Loans will also clear the existing material uncertainties relating to EC World REIT's ability to continue operating as a going concern, which would in turn enable Unitholders to better assess the value of EC World REIT.

## 6. EXTERNAL AUDITORS' CONFIRMATION

EC World REIT's external auditors, being PricewaterhouseCoopers LLP Singapore (the "**External Auditors**"), have confirmed that based on information made available to them as at the date of this announcement, other than (1) the Proposed Divestment, (2) the Mandatory Repayment and (3) the Refinancing (collectively, the "**Relevant Matters**"), there are no outstanding matters which would affect their assessment on EC World REIT's ability to operate as a going concern. It is important to note that the Relevant Matters relate to the appropriateness of the Manager's use of the going concern assumption in the preparation of the FY2022 Financial Statements, which in turn will have a material and pervasive effect on the FY2022 Financial Statements as a whole. The External Auditors will also need to complete the usual subsequent events procedures up to the date of their audit report (the "**Audit Report**") in relation to the FY2022 Financial Statements (for example, the review of the latest management accounts of the ECW group and the board meeting minutes or board resolutions of the Manager subsequent to the balance sheet date to identify events requiring adjustments to or disclosures in the FY2022 Financial Statements).

The Audit Report will only be issued after the External Auditors have completed the audit procedures on the Relevant Matters as well as the subsequent events procedures.

Unitholders and investors should note that there is no certainty or assurance that the External Auditors will express an unmodified opinion in the Audit Report.

**Cautionary Statement**

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 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

**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

1 May 2023

## **Important Notice**

The value of 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.