



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

ANNOUNCEMENT

APPLICATIONS FOR EXTENSION OF TIME

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 (the “**Circular**”);
- (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; and
- (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.

Unless otherwise defined, all capitalised terms used in this announcement shall have the meaning ascribed to them in the Circular.

2. APPLICATIONS TO THE SGX-ST AND THE MAS

The Board of Directors (the “**Board**”) of the Manager wishes to update Unitholders that the Manager has applied to:

- (i) 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 an extension of time from 30 April 2023 to 27 July 2023 for EC World REIT to hold its annual general meeting for the financial year ended 31 December 2022 (the “**2023 AGM**”); and
- (ii) the Monetary Authority of Singapore (the “**MAS**”) for:
 - (a) a waiver from paragraph 4.1(c) of Appendix 6 of the Code on Collective Investment Schemes issued by the MAS (the “**Property Funds Appendix**”), to allow an extension of time from 30 April 2023 to 27 July 2023 for EC World REIT to hold the 2023 AGM; and
 - (b) a waiver from paragraph 4.1(d) of the Property Funds Appendix, to allow an extension of time for the audited statement of total return and the audited balance sheet of EC World REIT and its group to be laid before the 2023 AGM to be made up to or as at (as the case may be) 31 December 2022, notwithstanding that the 2023 AGM may be held after 30 April 2023 if the waiver under paragraph 2(ii)(b) is granted,

(collectively, the “**Waivers**”).

Unless otherwise defined herein, all capitalised terms shall have the meaning ascribed to them in the circular to Unitholders dated 24 November 2022 (the “**Circular**”).

3. REASONS FOR SEEKING THE WAIVERS

As disclosed in the announcements referred to in paragraph 1 above, there has been a delay in the completion of the Proposed Divestment which has also caused the resultant delay in the settlement of the Mandatory Repayment.

In view of the above, EC World REIT’s external auditors have advised the Manager that based on the current information and documents made available to them, they do not have sufficient audit evidence to form a conclusion on the likelihood of Mandatory Repayment by 30 April 2023 and consequently the appropriateness of the use of the assumption in the audited financial statements for FY2022 (the “**FY2022 Financial Statements**”) that EC World REIT is able to continue operating as a going concern. In particular, EC World REIT’s external auditors have advised the Manager that they have taken into consideration the following:

- (i) that the Mandatory Repayment deadline of 28 February 2023 has passed and there is presently no confirmation on the finalisation of the New Repayment Plan to postpone the Mandatory Repayment deadline to 30 April 2023 and whether the outstanding Mandatory Repayment amount may be repaid by 30 April 2023; and

- (ii) that the refinancing of the April 2023 Outstanding Loans is still in process¹.

As announced by the Manager on 28 February 2023, the Purchasers have advised the Manager that they are unable to complete the Proposed Divestment by 28 February 2023 (being the previously scheduled completion date for the Proposed Divestment) as they were still in the process of obtaining the relevant credit approvals from their lending banks in relation to their financing of the Proposed Divestment. The Manager notes that the Sponsor continues to demonstrate its support for EC World REIT and in this regard, the Sponsor (being the holding company of the Purchasers) has procured the prepayment in part to the Vendor (being a wholly-owned subsidiary of EC World REIT) of the Equity Consideration pursuant to the Equity Purchase Agreement. Out of the Equity Consideration of RMB1,370,000,000 under the Equity Purchase Agreement, a total of RMB333,028,995² (the “**Relevant Amount**”) has been prepaid to the Vendor through the ECW Group, and that the ECW Group has in turn paid RMB321,806,801³ out of the Relevant Amount to the Lenders in partial settlement of the Mandatory Repayment.

The completion of the Proposed Divestment and the progress of the New Repayment Plan⁴ and the refinancing of the April 2023 Outstanding Loans⁵ will have a significant impact on the judgements, assumptions and estimates that must be made to finalise the FY2022 Financial Statements as the preparation and finalisation of the FY2022 Financial Statements in conformity with the International Financial Reporting Standards involve the making of:

- (i) critical accounting assumptions and judgements to prepare the financial statements on a going concern basis;
- (ii) critical accounting assumptions and judgements concerning the financial situation and cash flow forecast of the ECW Group in the next 12 months; and
- (iii) critical accounting estimates (including valuation of investment properties and loss allowance on receivables) that affect the amounts of assets, liabilities, income and expenses to be reported.

As such, the Manager is of the opinion that a fair and objective view of EC World REIT’s financial position, results and cash flow, and in particular, its ability to continue operating as a

1 The refinancing of the April 2023 Outstanding Loans is subject to the Lenders’ internal approval process.

2 Calculated based on the exchange rate of RMB1.00 = S\$0.1933 as at 30 December 2022, the exchange rate of RMB1.00 = S\$0.1945 as at 4 January 2023, the exchange rate of RMB1.00 = US\$0.1442 as at 28 February 2023 and the exchange rate of RMB1.00 = US\$0.1435 as at 10 March 2023, being the dates on which the respective prepayments of the Equity Consideration were made by the Sponsor.

3 As set out in the Manager’s announcement dated 17 March 2023, the aggregate of the outstanding amount of all the Sponsor’s deposits placed in escrow with the onshore facility agent under the Existing Onshore Bank Loans and the outstanding amount of all the Sponsor’s deposits placed in escrow with the offshore facility agent under the Existing Offshore Bank Loans, is RMB11,222,193.92. This represents the difference between the Relevant Amount and the RMB321,806,801 portion which has been paid to the Lenders in partial settlement of the Mandatory Repayment. We are instructed by the Manager that the intention is for the RMB11,222,193.92 to be used towards the partial repayment of the Mandatory Repayment.

4 “**New Repayment Plan**” refers to the plan to extend the Mandatory Repayment deadline from 28 February 2023 to a later date subject to terms and conditions to be agreed by the lenders of the Existing Onshore Bank Loans and the Existing Offshore Bank Loans (the “**Existing Bank Loans**”, and the lenders of the Existing Bank Loans, the “**Lenders**”).

5 “**April 2023 Outstanding Loans**” means the balance of the Existing Onshore Bank Loans and the Existing Offshore Bank Loans (after settling the Mandatory Repayment amount or the Relevant Mandatory Prepayment Amount (as the case may be)) which will be maturing on 30 April 2023.

going concern are largely dependent on the completion of the Proposed Divestment and the progress of the New Repayment Plan and the refinancing of the April 2023 Outstanding Loans.

In this regard, as stated in the Manager's announcement dated 10 March 2023, based on the expectation that the New Repayment Plan will be approved by the Lenders and that the Mandatory Repayment will be fully repaid and the April 2023 Outstanding Loans will be refinanced by 30 April 2023, it is estimated that the ECW Group will be in a net current assets position of S\$180,071,000 immediately after (1) completion of the Proposed Divestment; (2) settlement of the Mandatory Repayment pursuant to the New Repayment Plan; and (3) completion of the refinancing of the remaining sum under the Existing Bank Loans, taking into account the condensed interim financial statements of the ECW Group for the six months and twelve months ended 31 December 2022 announced on 23 February 2023, the Equity Consideration under the Proposed Divestment and the Relevant Transaction Costs as disclosed in the Circular.

EC World REIT's external auditors will require approximately one month from the completion of the Proposed Divestment to complete the audit process and issue their auditors' report, taking into consideration the completion of the Proposed Divestment as well as the status of the Mandatory Repayment and the April 2023 Outstanding Loans. Time will also be required to finalise and issue the relevant documents in connection with the 2023 AGM. In particular, the annual report (which will contain the FY2022 Financial Statements and the auditors' report) and the accompanying notice of AGM must be issued to Unitholders at least 14 clear days before the date of the 2023 AGM.

An extension will therefore enable EC World REIT to release its FY2022 Financial Statements after the completion of the Proposed Divestment, the finalisation of the New Repayment Plan and the refinancing of the April 2023 Outstanding Loans, such that the auditors' report and the assumptions and judgements underlying the FY2022 Financial Statements can take these events into account, and that accordingly, the ECW Group will require more time for the holding of its upcoming AGM.

The Manager will update Unitholders on the outcome of the Waivers in due course.

4. BOARD'S ASSESSMENT

The Board has assessed that notwithstanding the matters set out in this announcement, EC World REIT is able to operate as a going concern on the basis of the following:

- (i) the Lenders are in the process of obtaining their internal approvals for the New Repayment Plan and EC World REIT has not received any indication from the Lenders that they intend to accelerate the Existing Offshore Bank Loans or the Existing Onshore Bank Loans at this juncture;
- (ii) the proceeds of the Proposed Divestment will be sufficient to enable the ECW Group to complete the Mandatory Repayment, and the Long-Stop Date of the Proposed Divestment is currently set at (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;
- (iii) the Sponsor continues to demonstrate its support for EC World REIT and in this regard, it has provided RMB258 million, S\$4.4 million and US\$7.55 million in funds

since 30 December 2022 to date, which are intended to be used towards partial settlement of the Mandatory Repayment and will therefore go towards reducing the overall debt exposure of the ECW Group. Pursuant to the agreement of the Parties to the Equity Purchase Agreement, the Relevant Amount of RMB333,028,995⁶ constitutes prepayment in part by the Purchasers to the Vendor of the Equity Consideration. The ECW Group has in turn paid RMB321,806,801 out of the Relevant Amount to the Lenders in partial settlement of the Mandatory Repayment, reducing the overall debt exposure of the ECW Group. The outstanding balance of the Equity Consideration (amounting to approximately RMB1,036,971,005) will be payable to the Vendor by completion of the Proposed Divestment;

- (iv) the refinancing of the April 2023 Outstanding Loans is subject to the Lenders' internal approval process;
- (v) in view of the above, at this juncture, the Manager expects that the Existing Bank Loans will be repaid and/or refinanced before any exercise by the Lenders of their rights to accelerate the Existing Offshore Bank Loans or the Existing Onshore Bank Loans;
- (vi) based on the expectation that the New Repayment Plan will be approved by the Lenders and that the Mandatory Repayment will be fully repaid and the April 2023 Outstanding Loans will be refinanced by 30 April 2023, it is estimated that the ECW Group will be in a net current assets position of S\$180,071,000 immediately after (1) completion of the Proposed Divestment; (2) settlement of the Mandatory Repayment pursuant to the New Repayment Plan; and (3) completion of the refinancing of the remaining sum under the Existing Bank Loans, taking into account the condensed interim financial statements of the ECW Group for the six months and twelve months ended 31 December 2022 announced on 23 February 2023, the Equity Consideration under the Proposed Divestment and the Relevant Transaction Costs as disclosed in the Circular;
- (vii) while the COVID-19 situation has affected businesses in the People's Republic of China generally, the revenue and net property income from ECW's properties remain strong with some organic growth in RMB terms during 2022 compared against 2021, which shows that the operation of the ECW Group continues to be stable and profitable; and
- (viii) EC World REIT continues to pay regular distributions to its Unitholders in line with its usual distribution frequency.

Cautionary Statement

Unitholders and investors should note that there is no certainty or assurance that the Lenders will consent to the extension of the Mandatory Repayment deadline beyond 28 February 2023. Unless and until such Lenders' consent is obtained, the ECW Group is in breach of its Mandatory Repayment

⁶ Calculated based on the exchange rate of RMB1.00 = S\$0.1933 as at 30 December 2022, the exchange rate of RMB1.00 = S\$0.1945 as at 4 January 2023, the exchange rate of RMB1.00 = US\$0.1442 as at 28 February 2023 and the exchange rate of RMB1.00 = US\$0.1435 as at 10 March 2023, being the dates on which the respective prepayments of the Equity Consideration were made by the Sponsor.

obligations, which triggers an event of default under the Existing Offshore Bank Loans and Existing Onshore Bank Loans.

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

7 April 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.