



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

ANNOUNCEMENT

UPDATE ON FINANCING OBLIGATIONS OF EC WORLD REIT

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:

- (a) the announcement dated 3 October 2022 (the “**Divestment Announcement**”) in relation to the proposed divestment of Stage 1 Properties of Bei Gang Logistics and Chongxian Port Logistics (the “**Proposed Divestment**”);
- (b) the update announcement dated 20 November 2022 in relation to the Proposed Divestment;
- (c) the update announcements dated 22 November 2022 and 23 November 2022 both of which were in relation to the financing obligations of EC World REIT; and
- (d) the circular to unitholders of EC World REIT (“**Unitholders**”) dated 24 November 2022 in relation to the Proposed Divestment (the “**Circular**”).

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

The Manager wishes to refer to the following statements from the Circular:

*“On 1 June 2022, the Manager had made an announcement in relation to, among others, the extension of the maturity date of the Existing Offshore Bank Loans¹ to the earlier of (i) the earliest maturity date of the Existing Onshore Bank Loans² and (ii) 30 April 2023. In connection with the extension of the maturity date of the Existing Offshore Bank Loans, the Sponsor has provided an undertaking dated 31 May 2022 to the relevant lenders of the Existing Offshore Bank Loans (the “**Offshore Undertaking**”) that it will:*

¹ “**Existing Offshore Bank Loans**” means all outstanding amounts pursuant to an offshore facility agreement dated 28 June 2019 as amended, modified and supplemented from time to time between ECW Treasure Pte. Ltd. (“**ECW Treasure**”), Zhejiang Fuzhou E-Commerce Co., Ltd. (“**FZDS**”) and various banks coordinated by DBS Bank Ltd. and United Overseas Bank Limited.

² “**Existing Onshore Bank Loans**” means all outstanding amounts pursuant to an onshore facility agreement dated 28 June 2019 as amended, modified and supplemented from time to time between certain wholly-owned subsidiaries of EC World REIT, being Chongxian Investment, Hangzhou Beigang, Zhejiang Hengde Sangpu Logistics Co., Ltd. (“**Hengde Sangpu**”) and FZDS, and various banks coordinated by DBS Bank (China) Limited Hangzhou Branch and United Overseas Bank (China) Limited Hangzhou Branch.

- (i) *procure that the exercise of refinancing of the Existing Offshore Bank Loans is commenced immediately; and*
- (ii) *by 31 December 2022, ensure that at least 25.0% of the aggregate principal amount of the Existing Offshore Bank Loans are repaid whether by acquisition of asset(s) of EC World REIT and/or its subsidiaries or otherwise (the “Mandatory Offshore Repayment”).*

Further to the Offshore Undertaking, the Manager had on 13 June 2022 announced its entry into a non-binding memorandum of understanding with FIPL to explore the potential divestment of the Divestment Properties (the “Non-Binding MOU”). The target properties under the potential divestment are the Divestment Properties, namely Beigang Logistics Stage 1 and Chongxian Port Logistics, as these are the properties that the Sponsor has indicated its interest to acquire in connection with the Non-Binding MOU.

On 29 June 2022, the Manager announced, among others, that the maturity date of the Existing Onshore Bank Loans (save for a RMB63,749,144³ portion of the Existing Onshore Bank Loans which will expire in July 2029) has been extended to 30 April 2023. In connection with the extension of the maturity date of the Existing Onshore Bank Loans, the Sponsor has provided an undertaking dated 28 June 2022 to the relevant lenders of the Existing Onshore Bank Loans (the “Onshore Undertaking”) that it will:

- (i) *procure that the exercise of refinancing of the Existing Onshore Bank Loans is commenced immediately; and*
- (ii) *by 31 December 2022, ensure that at least 25.0% of the aggregate principal amount of the Existing Onshore Bank Loans are repaid whether by acquisition of asset(s) of EC World REIT and/or its subsidiaries or otherwise (the “Mandatory Onshore Repayment”, and together with the “Mandatory Offshore Repayment”, the “Mandatory Repayment”).”*

Further, as stated in the Circular, due to the current macro-economic and real estate market conditions in the PRC, the lenders of the Existing Offshore Bank Loans and Existing Onshore Bank Loans (collectively, the “Lenders”) had called on EC World REIT to repay the Mandatory Repayment amount by 31 December 2022.

The Manager wishes to update Unitholders that due to the latest COVID-19 situation in the PRC which has caused delay to the process of Completion of the Proposed Divestment, EC World REIT is in discussions with the Lenders on a debt repayment plan in relation to the Mandatory Repayment (the “Repayment Plan”). It is intended that under the Repayment Plan, the Sponsor will provide funding to enable ECW to pay the Lenders a portion of the Mandatory Repayment by 31 December 2022, with the payment for the remaining Mandatory Repayment to be deferred to a date falling within the first quarter of 2023. The Lenders are in the process of obtaining the relevant internal approval for the Repayment Plan. The Manager expects there to be an outcome by 31 December 2022 and will update the Unitholders with the details relating to the Repayment Plan in due course.

Notwithstanding the above, the Manager would like to caution Unitholders that in the event that the Manager and the Lenders are unable to agree on a debt repayment plan by 31 December 2022, EC

³ Based on the amount as at 30 June 2022.

World REIT would be in breach of its Mandatory Repayment obligations, triggering 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 of the SGX-ST. 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

26 December 2022

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.