



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

ANNOUNCEMENT

UPDATE IN RELATION TO THE FINANCING OBLIGATIONS OF THE ECW GROUP AND VOLUNTARY TRADING SUSPENSION

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**”), wishes to inform unitholders of EC World REIT (“**Unitholders**”) of the following:

1. Financing Obligations of the ECW Group

The Manager refers to its announcement dated 28 August 2023, which highlighted the high risk that EC World REIT and its subsidiaries (collectively, the “**ECW Group**”) would not be able to fully repay the offshore interest expenses due on 31 August 2023 (Thursday) pursuant to its existing offshore facilities (“**Offshore Facilities**”).

As stated in the Manager’s announcement dated 28 August 2023, pursuant to the terms of the Offshore Facilities, the offshore interest reserve maintained by the ECW Group pursuant to the Offshore Facilities (the “**Offshore Interest Reserve**”) must be topped up by the ECW Group within five business days of its release, which the Manager expects will be challenging for the ECW Group given its financial position unless the Sponsor Group manages to pay a sufficient amount of the rent receivables¹ within five business days from the release of part of the Offshore Interest Reserve.

The breach of this requirement for the ECW Group to top up the interest reserve within five business days of its release would, if not remedied within the agreed cure period, or any failure to pay interest which is due would result in an event of default pursuant to the Offshore Facilities and also triggers a cross-default under the existing onshore facilities of the ECW Group (“**Onshore Facilities**”, and together with the Offshore Facilities, the “**Facilities**”).

¹ As at the date of this announcement, the overdue rent receivables (the “**Outstanding Rent Receivables**”) owing to the ECW Group by Forch Holdings Group Co., Ltd. (being the sponsor of EC World REIT (the “**Sponsor**”) and its subsidiaries (collectively, the “**Sponsor Group**”) have exceeded RMB 145.8 million (based on the management accounts as at the date of this announcement of EC World REIT’s subsidiaries incorporated in the People’s Republic of China (the “**PRC**”). The Manager is working with the Sponsor Group on the repayment plan with respect to the Outstanding Rent Receivables pursuant to the existing lease agreements and will provide a further update when a confirmed plan is in place. As there has been no repayment plan provided by the Sponsor Group to date, the risk of non-collection of the Outstanding Rent Receivables continues to remain high.

The relevant lenders may, amongst others, accelerate the Facilities if an event of default is continuing.

The Manager has requested the facility agent under the Offshore Facilities to release part of the Offshore Interest Reserve in order to enable the ECW Group to fully repay the above-mentioned offshore interest expenses and has also requested for an extension of the deadline to top up the Offshore Interest Reserve.

The Manager has further requested the relevant lenders under the Facilities to not accelerate the Facilities pending the lenders' evaluation of the above requests. As at the date of this announcement, the relevant lenders are in the process of reviewing the above requests.

2. Voluntary Trading Suspension

In view of the above developments, the board of the Manager (the "**Board**") has decided to suspend the trading of the units in EC World REIT ("**Units**") on a voluntary basis as it is of the view that a trading suspension is in the best interest of the Unitholders and would serve to ensure that no person trades the Units without sufficient information required to make an informed decision. The Manager wishes to emphasise that this is a voluntary suspension pursuant to Rule 1302 of the Listing Manual of Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

The Board is in the process of evaluating various options for EC World REIT and will provide Unitholders with a further update as and when there are material developments.

The Manager will also seek to lift the trading suspension as soon as it is appropriate to do so without compromising the interests of Unitholders.

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 discussions or prospects will be successfully concluded or any definitive agreements in relation to any transactions will be entered into, or that any transactions previously announced by the Manager will be completed by the stipulated long-stop date (or at all). Unitholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions 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 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
30 August 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.