



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

ANNOUNCEMENT

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 (the “**Circular**”);
- (iv) the update announcements dated 29 December 2022, 31 December 2022 and 3 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 17 January 2023 in relation to the Proposed Divestment and the financing obligations of EC World REIT (the “**17 January 2023 Announcement**”);
- (vi) the update announcement dated 30 January 2023 in relation to the Proposed Divestment (the “**30 January 2023 Announcement**”); and
- (vii) the update announcement dated 12 February 2023 in relation to the Proposed Divestment and the financing obligations of EC World REIT (the “**12 February 2023 Announcement**”).

Unless otherwise defined, all capitalised terms used in this announcement shall have the meaning ascribed to them in the Circular and the 30 January 2023 Announcement.

2. NEW REPAYMENT PLAN

As set out in the 17 January 2023 Announcement, the Lenders had approved a Repayment Plan in relation to the repayment of the remaining Mandatory Repayment amount by 28 February 2023, subject to the conditions set out therein. As part of the Repayment Plan, the Sponsor had placed a margin deposit into an escrow account of the onshore facility agent under the Existing Onshore Bank Loans (as defined under the Circular) (the “**Margin Deposit**”). As stated in the 12 February 2023 Announcement, on 10 February 2023, the following amounts have been released from the Margin Deposit:

- (1) S\$24,420,246.10 and USD 2,945,824.66 (amounting to an aggregate of RMB 140,214,893.86) were used for partial repayment of the Existing Offshore Bank Loans (as defined in the Circular); and
- (2) S\$11,337,017.51¹ (RMB 58,649,857.78) was used for partial repayment of the Existing Onshore Bank Loans.

As a result, as at 12 February 2023, the outstanding amount of the Margin Deposit held in escrow was RMB 1,135,248.36.

The Manager wishes to update Unitholders that the Purchasers have advised the Manager that they are unable to complete the Proposed Divestment by 28 February 2023, as they are still in the process of obtaining the relevant credit approvals from their lending banks in relation to their financing for the Proposed Divestment. In light of the foregoing, the Sponsor and the Manager have made a request to the Lenders to extend the Mandatory Repayment deadline to a later date subject to the conditions to be agreed by the Lenders (the “**New Repayment Plan**”).

To demonstrate its commitment to EC World REIT and to seek the Lenders’ support for the New Repayment Plan, on 28 February 2023, the Sponsor deposited RMB 58,000,000 into an escrow account of the onshore facility agent under the Existing Onshore Bank Loans and US\$6,100,000 into an escrow account of the offshore facility agent under the Existing Offshore Bank Loans.

The above-mentioned deposits made by the Sponsor will eventually be used for the settlement of the Mandatory Repayment, which will further reduce the total loan exposure of EC World REIT. In addition, the Parties to the Equity Purchase Agreement have agreed that to the extent such deposits are so utilised, they shall constitute prepayment in part by the Purchasers to the Vendor (being a wholly-owned subsidiary of EC World REIT) of the Equity Consideration pursuant to the Equity Purchase Agreement.

The Lenders are in the process of obtaining their internal approvals for the New Repayment Plan and the Manager will provide an update to Unitholders when there is material development in this respect. 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.

3. EXTENSION OF THE LONG-STOP DATE OF THE PROPOSED DIVESTMENT

The Manager refers to the following statements from the 30 January 2023 Announcement:

“As stated in paragraph 4.5(i) of the Circular, “Subject to the Conditions, Completion shall take place on the date falling six Business Days after the Record Date or at such other date and time, and at such location, as may be agreed in writing between the

¹ Based on the illustrative exchange rate of RMB1.00 = S\$0.1933, which was the actual exchange rate as at 30 December 2022.

*Purchasers and the Vendor, and in any event, no later than the long-stop date of 31 January 2023 or such other date as may be agreed among the Parties (the “**Long-Stop Date**”). In any event, no later than the Long-Stop Date, and prior to the Record Date, the Vendor, the Sponsor or the Purchasers may, by notice in writing to the other Parties, postpone Completion to a date not later than the Long-Stop Date.*

*The Manager wishes to update Unitholders that the Parties have on 30 January 2023 entered into a supplementary agreement (the “**Supplementary Agreement**”) to amend the Equity Purchase Agreement to extend the Long-Stop Date from 31 January 2023 (or such other than date may be agreed among the Parties) to 28 February 2023 (or such other date as may be determined by the Vendor).”*

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 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 by 28 February 2023, as they are in the process of obtaining the relevant 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 New Repayment Plan; and
- (c) EC World REIT will continue to receive income from the Divestment Properties pending Completion.

4. 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 the Lenders’ consent is obtained, the ECW Group is in breach of its Mandatory Repayment 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 in EC World REIT (“**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
28 February 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.