



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

## ANNOUNCEMENT

### UPDATE ON THE PROPOSED DIVESTMENT AND THE FINANCING OBLIGATIONS OF EC WORLD REIT

#### 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 (the “**12 February 2023 Announcement**”);
- (vii) the update announcement dated 23 February 2023 in relation to, among others, the Mandatory Repayment; and
- (viii) the update announcement dated 28 February 2023 in relation to the Proposed Divestment and the financing obligations of EC World REIT (the “**28 February 2023 Announcement**”); and

- (ix) the update announcement dated 2 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 and the 28 February 2023 Announcement.*

## **2. UPDATE ON THE NEW REPAYMENT PLAN**

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

*“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**”).*

...

*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.”*

The Manager wishes to update Unitholders that as at the date hereof, approximately 50% of the Lenders under the Existing Onshore Bank Loans (calculated based on the principal amount outstanding under the Existing Onshore Bank Loans) and 75% of the Lenders under the Existing Offshore Bank Loans (calculated based on the principal amount outstanding under the Existing Offshore Bank Loans) have obtained their relevant internal approvals and confirmed that they are agreeable to the New Repayment Plan. The Manager will provide an update to Unitholders in the event that all Lenders have approved the New Repayment Plan or in the event that any Lender rejects the New Repayment Plan.

## **3. PARTIAL REPAYMENT OF THE MANDATORY REPAYMENT USING DEPOSITS FROM THE SPONSOR**

As stated in the 12 February 2023 Announcement, as of 12 February 2023, the outstanding amount of the deposit placed by Forchn Holdings Group Co., Ltd., the sponsor of EC World REIT (the “**Sponsor**”), in escrow with the onshore facility agent under the Existing Onshore Bank Loans was RMB1,135,248.36 (the “**Initial Outstanding Deposit**”).

Further, as stated in the 28 February 2023 Announcement, the Sponsor had on 28 February 2023 placed a deposit of RMB 58,000,000 into an escrow account of the onshore facility agent under the Existing Onshore Bank Loans (“**February 2023 Onshore Deposit**”) and US\$6,100,000 into an escrow account of the offshore facility agent under the Existing Offshore Bank Loans (the “**February 2023 Offshore Deposit**”, and together with the February 2023 Onshore Deposit and the Initial Outstanding Deposit, the “**Relevant Deposits**”). In particular, the 28 February 2023 Announcement stated the following:

*“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 Manager wishes to update Unitholders that the Sponsor and the Lenders have, at the request of the Manager, agreed for a portion of the Relevant Deposits to be released from escrow and utilised to partially repay the outstanding Mandatory Repayment. This would enable EC World REIT to save on interest payments which would otherwise be incurred on the outstanding loan amounts.

Accordingly, the following amounts have been released from the Relevant Deposits:

- (a) on 2 March 2023, S\$5,686,305.46 and US\$1,856,805.12 from the February 2023 Offshore Deposit were used for partial repayment of the Existing Offshore Bank Loans; and
- (b) on 7 March 2023, RMB 29,274,873.79 from the February 2023 Onshore Deposit was used for partial repayment of the Existing Onshore Bank Loans.

The Lenders confirmed that they have received the payments set out in paragraphs (a) and (b) above on 2 March 2023 and 7 March 2023, respectively. As a result, as at the date hereof:

- (i) the outstanding amount of the Relevant Deposits is RMB 29,860,374.57, which continues to be held in escrow by the onshore facility agent under the Existing Onshore Bank Loans; and
- (ii) the deposits placed by the Sponsor in escrow with the offshore facility agent under the Existing Offshore Bank Loans have been fully utilised towards partial repayment of the Existing Offshore Bank Loans.

The following table shows the changes to the outstanding Mandatory Repayment amount as a result of the partial repayments made between 10 February 2023 and the date hereof (inclusive):

Outstanding Mandatory Repayment amount	Immediately after Partial Utilisation of the December 2022 Deposit on 10 February 2023 <sup>(1)</sup>	Immediately after Utilisation of the Relevant Deposits on 2 and 7 March 2023 <sup>(1)</sup>
Mandatory Offshore Repayment		

<b>Outstanding Mandatory Repayment amount</b>	<b>Immediately after Partial Utilisation of the December 2022 Deposit on 10 February 2023<sup>(1)</sup></b>	<b>Immediately after Utilisation of the Relevant Deposits on 2 and 7 March 2023<sup>(1)</sup></b>
<ul style="list-style-type: none"> <li>• Offshore (SGD)</li> <li>• Offshore (USD)</li> </ul>	S\$43,607,639  S\$22,315,256	S\$37,921,334  S\$19,818,596
<b>Sub-Total</b>	S\$65,922,895	S\$57,739,930
Mandatory Onshore Repayment	S\$29,161,345	S\$23,502,512
<b>Total</b>	S\$95,084,240	S\$81,242,442

**Note:**

1. Based on the illustrative exchange rates of RMB1.00 = S\$0.1933 and US\$1.00 = S\$1.3446, which were the actual exchange rates as at 30 December 2022.

**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 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 March 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.