



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

## ANNOUNCEMENT

### UPDATE IN RELATION TO THE 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**”), refers to the announcements dated 30 August 2023 and 31 August 2023 in relation to the suspension in the trading of the units in EC World REIT (“**Units**”) on a voluntary basis.

According to paragraph 6.2 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, (a) the trading suspension should cease as soon as practicable when the exceptional circumstances giving rise to the suspension cease to exist, and in any event, within 21 days of the commencement of the suspension; and (b) the period of suspension may be extended if the Manager satisfies DBS Trustee Limited (in its capacity as trustee of EC World REIT) (the “**Trustee**”) that it is in the best interest of unitholders of EC World REIT (“**Unitholders**”) for the dealing in Units to remain suspended.

The Manager wishes to inform Unitholders that the Manager has determined and satisfied the Trustee that it is in the best interest of Unitholders for the dealing in Units to remain suspended on the basis of the following:

- (1) as at 30 June 2023, (i) the current liabilities of EC World REIT exceeded its current assets by S\$117,903,000; and (ii) the current liabilities of EC World REIT and its subsidiaries (collectively, the “**ECW Group**”) exceeded the ECW Group’s current assets by S\$133,188,000. Within its current liabilities, the ECW Group has borrowings of S\$443,200,000 (including amounts presented within liabilities directly associated with disposal group classified as held for sale) which are due for repayment within the next 12 months from the reporting date of 30 June 2023. The tenure for the ECW Group’s existing offshore facilities (the “**Offshore Facilities**”) is for 11 months ending on 30 April 2024 (the “**Initial Termination Date**”) and, subject to the consent of the lenders of the Offshore Facilities (the “**Offshore Lenders**”) and certain conditions being met, the tenure of the Offshore Facilities may be extended for a further period of 24 months, with such extended date not extending beyond 30 April 2026. The Offshore Lenders have the sole discretion to decide whether or not to grant such extension and, the terms and conditions for the extension. At this juncture, the Manager understands from the Offshore Lenders that their approval of the extension of the Initial Termination Date would be contingent on the ECW Group’s successful completion of the proposed divestment of Stage 1 Properties of Beigang Logistics and Chongxian Port Logistics (the “**Proposed Divestment**”) and the ECW Group making certain mandatory repayments in the amount

agreed or to be agreed by all the existing lenders under the existing onshore facilities of the ECW Group (the “**Onshore Facilities**”, and together with the Offshore Facilities, the “**Facilities**”) and all the Offshore Lenders (the “**Relevant Mandatory Prepayment Amount**”);

- (2) as at the date hereof, the overdue rent receivables owing to the ECW Group by Forchn Holdings Group Co., Ltd. (being the sponsor of EC World REIT (the “**Sponsor**”)) and its subsidiaries (collectively, the “**Sponsor Group**”, and the overdue rent receivables owing from the Sponsor Group to the ECW Group, the “**Outstanding Rent Receivables**”) have exceeded RMB 145.8 million (based on the management accounts as at 31 August 2023 of the EC World REIT subsidiaries incorporated in the People’s Republic of China). The Manager is working with the Sponsor Group on the repayment plan of the Outstanding Rent Receivables and the payment obligations under the existing lease agreements;
- (3) pursuant to the Manager’s request, the facility agent under the Offshore Facilities (the “**Offshore Facility Agent**”) permitted the release of part of the offshore interest reserve maintained by the ECW Group pursuant to the Offshore Facilities (the “**Offshore Interest Reserve**”) in order to enable the ECW Group to fully repay the offshore interest expenses due on 31 August 2023 pursuant to the Offshore Facilities (the “**Offshore Interest Expenses**”). As announced by the Manager on 4 September 2023, approximately S\$3.4 million of the Offshore Interest Reserve has been released and used to fully repay the Offshore Interest Expenses;
- (4) pursuant to the terms of the Offshore Facilities, the Offshore Interest Reserve must be topped up by the ECW Group within five business days of its release. The breach of this requirement would, if not remedied within the agreed cure period of 10 business days, result in an event of default pursuant to the Offshore Facilities and also triggers a cross-default under the Onshore Facilities. As mentioned in the Manager’s announcement dated 16 September 2023, the Manager has requested for an extension of the deadline to top up the Offshore Interest Reserve and has also requested that the relevant lenders under the Facilities not accelerate the Facilities. As of the date hereof, the relevant lenders are in the process of reviewing the Manager’s request; and
- (5) the Manager has yet to receive confirmation from the Sponsor Group that they have secured the requisite funding to complete the Proposed Divestment. As stated in the circular to Unitholders dated 16 August 2023 (the “**Circular**”), the ECW Group has an obligation under the Facilities to ensure that the Proposed Divestment shall take place by no later than 31 October 2023 (or such later date, that is on or prior to 30 April 2024, that is agreed to by all the lenders under the Facilities) (the “**Divestment Longstop Date**”) (please refer to paragraph 3.1 of the Circular for further details on this obligation). Pursuant to the Facilities, the ECW Group must pay the Relevant Mandatory Prepayment Amount by the Divestment Longstop Date. Failure to do so will result in an event of default under the Facilities.

The suspension on the trading of the Units will provide the ECW Group with time to work on resolving the above-mentioned uncertainties and announce the relevant updates to Unitholders, and will thereby serve to ensure that no Unitholder trades in the Units without sufficient information required to make an informed decision.

The board of the Manager 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 discussion 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 that 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. 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

21 September 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.