



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

ANNOUNCEMENT

UPDATE ON THE FINANCING OBLIGATIONS OF THE ECW GROUP AND THE 1H2023 DISTRIBUTION

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 11 August 2023 (the “**Notice of Record and Distribution Payment Date Announcement**”) in relation to the notice of record date and distribution payment date for EC World REIT’s distribution in respect of the period from 1 January 2023 to 30 June 2023 (the “**Distribution**”);
- (ii) the announcement dated 23 August 2023 in relation to the responses to queries from Singapore Exchange Securities Trading Limited (the “**SGX-ST**”);
- (iii) the announcement dated 28 August 2023 (the “**28 August 2023 Announcement**”) in relation to the rent receivables and financing obligations of EC World REIT and its subsidiaries (collectively, the “**ECW Group**”);
- (iv) the update announcements dated 4 September 2023 and 12 September 2023 in relation to updates on the financing obligations of the ECW Group;
- (v) the announcement dated 14 September 2023 in relation to the entry into distribution deferment agreements by Forchn International Pte. Ltd. and Forchn Global Pte. Ltd.; and
- (vi) the update announcement dated 21 September 2023 in relation to, among others, the voluntary trading suspension of the units in EC World REIT (“**Units**”).

2. UPDATE ON THE DISTRIBUTION

As announced by the Manager in the Notice of Record and Distribution Payment Date Announcement, it was intended that the Distribution would be paid on 28 September 2023. The Manager wishes to update unitholders of EC World REIT (the “**Unitholders**”) that Forchn Holdings Group Co., Ltd., being the sponsor of EC World REIT (the “**Sponsor**”), and its subsidiaries (collectively, the “**Sponsor Group**”) have not been able to pay the overdue rent receivables owing to EC World REIT and its subsidiaries (collectively, the “**ECW Group**”, and the overdue rent

receivables owing from the Sponsor Group to the ECW Group, the “**Outstanding Rent Receivables**”) ¹ by the date of this announcement. Additionally, as at the date of this announcement, the Sponsor has been unable to provide a committed repayment plan in respect of the Outstanding Rent Receivables which is satisfactory to the ECW Group.

Accordingly, the Manager wishes to update Unitholders that due to insufficient funds at this juncture, EC World REIT will not be able to make the Distribution to Unitholders on 28 September 2023 and that the payment of the Distribution will instead be deferred to a future date when EC World REIT has sufficient free cash for the Distribution. The Manager will provide Unitholders with a further update when there is clarity on this date. In addition, without the payment of the Outstanding Rent Receivables from the Sponsor Group, the ECW Group may have insufficient funds to maintain its operations (in particular, the ECW Group may not be able to pay interest expenses which are due to become payable by it going forward).

The above-mentioned circumstances may give rise to an event of default under the ECW Group’s existing onshore and offshore facilities (the “**Facilities**”). For instance, EC World REIT’s inability to pay debts is an event of default under the Facilities. It is also possible that the above-mentioned circumstances may be viewed by the relevant lenders under the Facilities (the “**Lenders**”) to constitute a material adverse event which in turn results in an event of default under the Facilities. The Lenders may, among others, accelerate the Facilities if an event of default is continuing. As at the date of this announcement, the Manager is engaging the Lenders in respect of the foregoing and has not received any indication from the Lenders that they intend to accelerate the Facilities as a result of the above-mentioned circumstances.

In view of the foregoing, the Manager intends to undertake the following steps:

- (i) working with the Sponsor Group on the repayment plan of the Outstanding Rent Receivables and its payment obligations under the existing related party leases (including the master leases (the “**Master Leases**”)) between the Sponsor Group (as related party lessees) and the ECW Group (as lessors);
- (ii) appointing independent consultants to evaluate the market rental of the assets being leased under the Master Leases² for the purpose of formulating a new leasing strategy for these assets;
- (iii) appointing independent consultants to evaluate the possibility of divesting one or more properties of the ECW Group (including but not limited to Stage 1 Properties of Beigang Logistics and Chongxian Port Logistics (the “**Divestment Properties**”)) to third parties via open market sale(s), in order to enable the ECW Group to meet its relevant mandatory prepayment obligations under the Facilities; and
- (iv) appointing legal advisers to provide advice in relation to the Master Leases and the equity purchase agreement dated 30 September 2023 (as amended) between the relevant ECW

1 The Outstanding Rent Receivables have exceeded RMB145.8 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). Please refer to the 28 August 2023 Announcement for further details on the Outstanding Rent Receivables. The Outstanding Rent Receivables are expected to increase to around RMB171.3 million as at 30 September 2023.

2 The assets being leased under the Master Leases are Chongxian Port Investment, Fu Heng Warehouse, Beigang Logistics Stage 1 and Fuzhou E-Commerce.

Group entities and the relevant Sponsor Group entities in connection with the proposed divestment of the Divestment Properties³.

The Manager has been advised by the Sponsor that the Sponsor recognises the challenges that EC World REIT is currently facing and that the Sponsor will continue to proactively work with the Manager to explore various potential solutions to address the above-mentioned circumstances.

The board of directors 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.

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
27 September 2023

³ Please refer to EC World REIT's circular dated 16 August 2023 for details on the terms of the proposed divestment of the Divestment Properties.

Important Notice

The value of the units in EC World REIT (the “**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.